



**Minutes of Management team meetings  
2018**

## Management Team

Tuesday 9 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay (Chair)  
Caroline Gardner  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Gemma Diamond, Senior Manager  
Martin McLauchlan, Audit Manager  
Tarryn Wilson-Jones, Senior Auditor  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting: 19 December 2017

The draft minutes dated 19 December 2017 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

Management Team reflected on the discussion at Item 3, the Appointments and Assurance work programme and agreed an update was required. Fiona Kordiak agreed to liaise with Elaine Boyd to confirm a date.

**Action: Fiona Kordiak to liaise with Elaine Boyd to confirm a date for an update on the Appointments and Assurance team work programme. (January 2018)**

## 2. Making a Difference: Budget briefing

*Gemma Diamond, Senior Manager, Martin McLauchlan, Audit Manager, Tarryn Wilson-Jones, Senior Auditor and Stuart Dennis, Corporate Finance Manager joined the meeting.*

Gemma Diamond introduced the budget briefings which had been prepared following the dissemination of the draft Scottish budget which was announced on 14 December 2017 by the PIE Cluster team. The summary papers provide an overview of the key highlights and themes arising from the draft budget and how it will impact our work as well as providing links to additional analysis of trends.

During detailed discussion, Management Team recognised the complexity of the budget in relation to the devolved powers and noted the overall increase in the Scottish budget, the changes to income tax, economic growth measures and pressures on budget areas.

Management Team recognised the value of the analysis and noted the proposed implementation and rollout of the budget database to the cluster groups and the Scottish Government, the transparency of data available and the assurance it provided around our work programme.

Following discussion, Management Team welcomed the briefings,

*Gemma Diamond, Senior Manager, Martin McLauchlan, Audit Manager and Tarryn Wilson-Jones, Senior Auditor, left the meeting.*

### **3. 2017/18 Financial forecast**

Stuart Dennis introduced the 2017/18 Financial forecast report, a copy of which had been previously circulated.

Stuart invited Management Team to note that we are on track to achieve an underspend on the 2017/18 forecast.

Management Team noted the projected underspend and considered work in progress levels, level

Management Team welcomed the steady position and discussed the need to continue to monitor work in progress levels and to ensure planning is underway for the new financial powers resources for 2018/19 and agreed they would welcome a summary of the costings and budget in relation to Audit Strategy and the external assurance by ICAS.

Following discussion, Management Team welcomed the report and agreed Stuart would come back to Management Team if there were any significant changes to the financial forecast.

In addition, Management Team agreed an early discussion on workforce planning for the forthcoming financial year would be helpful.

**Action: A early discussion on workforce planning to be scheduled. (January 2018)**

*Stuart Dennis, Corporate Finance Manager, left the meeting.*

### **4. Draft agenda: Management Team: 16 January 2018**

Management Team discussed the proposed agenda and Joy Webber advised the Communications Digest and Hotlist of emerging key risks will come to next week's meeting.

### **5. Any other business**

Management Team had a general discussion around professional leadership and would welcome a more detailed discussion.

**Action: A early discussion around professional leadership to be scheduled. (30 January 2018)**

### **6. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 16 January 2018.

## Management Team

Tuesday 16 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

Fraser McKinlay (in part)  
Sarah Skerratt

### In attendance:

James Gillies, Communications Manager  
David McConnell, Assistant Director  
Lynn Scott, Business Support Services Manager  
Mark Taylor, Assistant Director  
Gordon Smail, Assistant Director  
Rebecca Seidel, Audit Manager  
Kirstin Scott, Auditor  
Michael Oliphant, Senior Audit Manager  
Alasdair Craik, Senior Audit Manager  
David Blattman, HR&OD Manager  
Sarah Pollock, Audit Manager

### 1. Minutes of meeting: 9 January 2018

The draft minutes dated 9 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Communications digest

*James Gillies, Communications Manager and David McConnell, Assistant Director, joined the meeting.*

James Gillies introduced the Communications digest report, which had been previously circulated.

James invited Management Team to note the key issues and highlights from external and internal communications over the past month as well as a look ahead to forthcoming events and activities.

During discussion, Management Team reflected on the volume of coverage following publication reports. Following discussion about extending the impact of reports, it was agreed that James would consider with PABV colleagues how to produce timely outputs based on previous reports to inform clearance debate.

Management Team welcomed the discussion.

**Action: James Gillies to consider further communication tools with respective cluster leads. (February 2018)**

### 3. Hotlist of emerging key risks

David McConnell introduced the Hotlist of emerging key risks report, a copy of which had been previously circulated.

David invited Management Team to approve the hotlist of emerging and developing audit risks together with the watchlist monitoring known risks.

During discussion, Management Team considered the possible implications of outsourcing by public bodies following the liquidation of Carillion. David also provided a verbal update on the Glasgow City Council equal pay position.

Following discussion, Management Team approved the report and agreed the next report would reflect the current status of each item on the watchlist.

Management Team welcomed the report.

*James Gillies, Communications Manager and David McConnell, Assistant Director, left the meeting.*

### 4. Business support services resourcing

*Lynn Scott, Business Support Services Manager, joined the meeting.*

Lynn Scott introduced the Business support services resourcing report, which had been previously circulated.

Lynn invited Management Team to approve the recommendation to amend the staffing establishment within the BSS team within its current budget.

Management Team discussed capacity levels and predicted demand across the organisation for support services and agreed a strategic report was required to ensure the shift in roles and services delivered the required balance of support for the business and alongside work on efficiency.

Following discussion, Management Team approved the recommendation for the proposed amendment with a strategic review to follow by the end of March 2018.

**Action: Lynn Scott to report on the strategic review of demand and impacts to deliver support across the organisation. (March 2018)**

*Lynn Scott, Business Support Services Manager, left the meeting.*

### 5. Draft agenda: Management Team 23 January 2018

Management Team noted the addition of the Annual Assurance and Risks Report would come to Management Team next week together with draft Board reports for their consideration.

### 6. Draft agenda: Board 31 January 2018

Management Team noted the agenda for the forthcoming Board meeting on 31 January 2018.

### 7. Any other business

There was no other business.

## 8. Date of next meeting

The next meeting of Management Team was scheduled for 23 January 2018.

## 9. Summit: European Union withdrawal

*Mark Taylor and Gordon Smail, Rebecca Seidel, Audit Manager, Kirstin Scott, Auditor, Michael Oliphant and Alasdair Craik, Senior Audit Managers David Blattman, HR&OD Manager and Sarah Pollock, Audit Manager, joined the meeting.*

Rebecca Seidel and Kirstin Scott introduced the Summit discussion on the withdrawal from the European Union to consider the implications for Scotland and the public sector, and current and planned Audit Scotland activity in response to constitutional change.

During detailed discussion, Management Team considered the legal bases for the UK's withdrawal from the EU, the potential impact on Scotland's economy and public services, including finances and funding, migration, regulation and policy, trade rules, capacity to deal with change and Audit Scotland's current activity around the impact on audit work, communication and engagement, resourcing and capacity building.

Management Team thanked participants for a wide ranging and thought provoking discussion.

It was agreed that Diane would liaise with Mark to draft an update for Yammer and for the staff conference.

**Action: Diane McGiffen to liaise with Mark Taylor to draft an update for Yammer and for the staff conference.**

*Mark Taylor, Gordon Smail, Rebecca Seidel, Kirstin Scott, Michael Oliphant, Alasdair Craik, David Blattman and Sarah Pollock left the meeting.*

## Management Team

Tuesday 23 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

None

### In attendance:

Fiona Mitchell-Knight, Assistant Director, Audit Services Group  
Tommy Yule, Senior Auditor, Audit Services Group  
Elaine Boyd, Assistant Director, Appointments and Assurance Team  
Owen Smith, Senior Manager, Appointments and Assurance Team  
John Gilchrist, Manager, Appointments and Assurance Team

### 1. Minutes of meeting: 16 January 2018

The draft minutes dated 16 January 2018 were considered and Management Team agreed that subject to amendment these were an accurate record of the meeting.

### 2. Review of new Best Value process

*Fiona Mitchell-Knight, Assistant Director and Tommy Yule, Senior Auditor, joined the meeting.*

Fiona Mitchell-Knight introduced the Review of Best Value process report, which had been previously circulated.

Fiona informed Management Team that six BVARs had already been welcomed by the Accounts Commission and work on the next six BVARs was well underway.

During discussion, Management Team reflected on the very positive aspects of the report whilst considering the Accounts Commissions' appetite for a more streamlined report. Copies of the review undertaken by Rocket Science were made available at the meeting and it was agreed that this would be included as an appendix to the Accounts Commission report.

Management Team agreed to endorse the recommendations in the report and approved the distribution of the Guidance Notes to Auditors included in the report.

Management Team welcomed the discussion.

**Action: Diane McGiffen to email comments to Fiona Mitchell-Knight (January 2018)**

### 3. Annual Assurance and Risks Report

Tommy Yule introduced the Annual Assurance and Risks report, which had been previously circulated.

Tommy invited Management Team to note the highlights of the review of 2016/17 annual audit reports for councils and related local authority bodies in addition to the analysis of work undertaken during the year as part of the new approach to auditing Best Value in local government.

Management Team welcomed the report and following discussion approved the report for submission the Accounts Commission on 8 February 2018.

**Action: Diane McGiffen to email Tommy Yule with comments (January 2018).**

*Tommy Yule, Senior Auditor and Fiona Mitchell-Knight, Assistant Director, left the meeting.*

#### **4. External operating environment**

Due to time constraints Management Team agreed to note the contents of the report and email any comments directly to Martin Walker.

**Action: Management Team to email Martin Walker with any comments (January 2018).**

#### **5. Appointments and Assurance work programme update**

*Elaine Boyd, Assistant Director, Owen Smith, Senior Manager and John Gilchrist, Manager, Appointments and Assurance Team joined the meeting.*

Elaine Boyd introduced the Appointment and Assurance work programme update report, which had been previously circulated.

Following discussion, Management Team suggested that further consideration be given to the timetable whilst streamlining the report for next year.

Management Team approved the proposals to secure additional resources to deliver the AAT immediate priorities and reported that they would be content to consider non formal agenda items by correspondence.

#### **6. Proposed change of audit appointment**

John Gilchrist introduced the Proposed change of audit appointment report, which had been previously circulated.

A discussion followed on the proposal to the Accounts Commission to change the appointment to the audit of the East of Scotland European Consortium (ESEC) from KPMG to Fiona Kordiak, subject to the next administering authority being audited by ASG.

Management Team approved the proposal and asked the team to streamline the process going forward.

#### **7. Best Companies headline results**

Due to time constraints Management Team agreed to note the contents of the report and email any comments directly to David Blattman.

**Action: Management Team to email David Blattman with any comments (January 2018).**

#### **8. Lease extension: Nelson Mandela Place, Glasgow – Confidential item**

This confidential item would be minuted under separate cover.

#### **9. Draft agenda: Management Team 30 January 2018**

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled for 30 January 2018.



**10. Draft agenda: Accounts Commission 8 February 2018**

Following discussion, Management Team approved the draft agenda for the meeting of the Accounts Commission on 8 February 2018.

**11. Any other business**

There was no other business.

**12. Date of next meeting**

The next meeting of Management Team was scheduled for 30 January 2018.

Apologies were noted from Fraser McKinlay.

## Management Team

Tuesday 30 January 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Fraser McKinlay

### In attendance:

Mark Taylor, Assistant Director  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance Manager  
Alex Devlin, Corporate Governance Manager  
David McGurk, Service Delivery Manager, DSG

## 1. Minutes of meeting: 23 January 2018

The draft minutes dated 23 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

A discussion followed on the Promoting Equality summit held following the conclusion of the Management Team meeting held on 23 January 2018. Management Team noted that membership of the Diversity and Equality Steering Group would be considered at a future date as would leadership of internal Human Resources governance on diversity and equality matters.

## 2. Audit and accountability framework

*Mark Taylor, Assistant Director and Rebecca Seidel, Audit Manager, joined the meeting.*

Following discussion, Management Team welcomed the briefings,

Mark Taylor introduced the Audit and Accountability Framework report, a copy of which had been previously circulated. Management Team welcomed the much improved version of the Framework since June 2017 which now incorporated many suggestions made by Audit Scotland. A discussion followed on the consultation of the audit process and Management Team noted significant concerns about the extent of our access to devolved matters managed by UK public bodies as envisaged in the framework.

Mark informed Management Team that the deadline for any written submission to PAPLSC was Monday 5 February and that this would reflect the views of Management Team.

Management Team welcomed the discussion and opportunity to comment on the draft Framework.

*Mark Taylor and Rebecca Seidel left the meeting.*

### 3. 2017/18 Statutory accounting timetable

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2017/18 Year End Statutory Accounts Timetable, a copy of which had been previously circulated.

Stuart informed Management Team that the Statutory Accounts must be lodged with the Scottish Commission for Public Audit (SCPA) no later than 13 June 2018 and would be reviewed by the SCPA at a date yet to be confirmed.

Management Team welcomed sight of the draft timetable which followed a similar process to that adopted in previous years.

Following discussion Management Team approved the timetable for submission to the Audit Committee on 14 March 2018.

### 4. Internal audit reports

*Alex Devlin, Corporate Governance Manager and David McGurk, Delivery Manager, Digital Services, joined the meeting.*

#### Financial reporting

Management Team welcomed sight of the report and noted the areas of good practice whilst taking into account the three minor observations identified in the report.

#### IT Service management

Management Team discussed the contents of the report and welcomed the substantial assurance received over the design and operational effectiveness of the controls in place relating to IT Service management, whilst noting areas for improvement.

Following discussion Management Team suggested that future internal audit reports be written in a more easily understood format.

*Alex Devlin, David McGurk and Stuart Dennis left the meeting.*

### 5. Draft agenda: Management Team 13 February 2018

Following discussion Management Team approved the draft agenda for the meeting scheduled for 13 February 2018. Consideration would also be given to feedback from the Rocket Science report, Contribution to the review of the new Best Value approach.

### 6. Draft agenda: Leadership Group 7 February 2018

Following discussion, it was agreed that the meeting would consist of two agenda items – Leadership Development and Audit Working. Fraser McKinlay would email Leadership Group on Friday to this effect.

**Action: Fraser McKinlay to email draft agenda to Leadership Group on Friday 2 February 2018**

A discussion followed on the format of future meetings of Management Team. Meetings would be sub-divided into three categories – Strategy, People and Performance – and each category would be considered at minimum, on a quarterly basis.. This would allow for timely agenda planning and more focussed discussions.

## **7. Any other business**

Management Team welcomed an update from Fiona Kordiak on the conclusion of the EAFA audit.

## **8. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 13 February 2018.

## Management Team

Tuesday 13 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk  
Stuart Dennis, Corporate Finance Manager  
Claire Sweeney, Assistant Director, PABV  
Fiona Diggle, Audit Officer, PABV  
Ian Metcalfe, Corporate Performance Officer

#### 1. Minutes of meeting: 30 January 2018

The draft minutes dated 30 January 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

#### 2. Q3 Corporate performance report 2017/18

*Martin Walker, Assistant Director and Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Martin Walker introduced an overview of Audit Scotland's performance during quarter three of 2017/18, a copy of which had been previously circulated.

Management Team welcomed sight of the report and a discussion followed on the reasons for the late delivery of six of the Firms Annual reports.

Subject to minor amendment, Management Team agreed to approve the Q3 Corporate Performance report 2017/18.

#### 3. Q3 Becoming world class improvement programme report 2017/18

Martin Walker introduced the Becoming world class improvement programme report 2017/18, a copy of which had been previously circulated.

Martin invited comments in respect of progress made since November 2017, when the report was last considered by Management Team and the Board.

Management Team welcomed sight of the progress headlines and subject to minor amendment, agreed to approve the report.

#### 4. Q3 Financial performance report 2017/18

Stuart Dennis introduced the Q3 Financial performance report 2017/18, a copy of which had been previously circulated.

Management Team noted that in the nine months to December 2017 the net operating expenditure of £4,016k was £250k less than budget.

Discussions would continue in respect of the £76k uncommitted funds in the Management Contingency and Provision budget. Management Team agreed to give some thought to how this may be allocated.

Management Team welcomed the format of the financial dashboard and agreed that it would be considered on a monthly basis (by email from Stuart) with the full finance report being considered on a quarterly basis.

Following discussion Management Team agreed to note the financial results for the nine months to December 2017 for presentation to the Audit Scotland Board on 28 February 2018.

**Action(s): Management Team to further consider uncommitted funds in the Management Contingency and Provision budget. (February 2018)**

**Stuart Dennis to email the financial dashboard to Management Team on a monthly basis. (Ongoing)**

#### 5. Reviews of Performance Management Framework and How we use our time

*Claire Sweeney, Assistant Director, Fiona Diggle, Audit Officer and Ian Metcalfe, Corporate Performance Officer, joined the meeting.*

Martin Walker introduced the Review of performance and business management framework and supporting digital system(s) framework compiled by Rocket Science and Storm ID, a copy of which had been previously circulated. In addition, Claire Sweeney and Fiona Diggle introduced the How we use our time report (Part 2), which had also been previously circulated.

Management Team welcomed the reports, the clarity of the presentation and the business issues emerging from both.

During detailed discussion, Management Team considered the advantages of making use of the existing MKI licences and the platform which it provides to build from as well as and the potential disadvantages of a single alternative time recording system.

Following discussion, Management Team agreed that the core audit recording and file management system should form the foundation for the development of time recording and business intelligence given that:

- the cost of additional licences was limited
- there is scope to make further use of MKI in audit work, following on from the new best value approach

with the principle of one system to support Audit Scotland's one organisation approach subject to the scale of work to resolve usability and mobility in advance of the release of the new version of MKI in the summer. It was also recognised that MKI has not delivered the promised open access to data on time and this presents issues.

Martin Walker and Claire Sweeney agreed to develop the project and report back to Management Team.

**Action(s):** Martin Walker and Claire Sweeney to jointly lead on the combined project to develop a new performance management system/TRS system, with a further update to Management Team. (April/May 2018)

*Martin Walker, Stuart Dennis, Ian Metcalfe, Claire Sweeney and Fiona Diggle left the meeting.*

## **6. Draft agenda: Management Team 20 February 2018**

Following discussion it was agreed that the 'People' session planned at Management Team on 20 February 2018 would be postponed until 27 February 2018.

## **7. Any other business**

No further business was discussed at the meeting.

## **8. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 20 February 2018.

## Management Team

Tuesday 20 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Fiona Mitchell Knight, Assistant Director, Audit Services  
Carol Hislop, Senior Audit Manager, Audit Services

#### 1. Minutes of meeting: 13 February 2018

The draft minutes dated 13 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

#### 2. Professional Trainee scheme: School leavers update report

*Fiona Mitchell Knight, Assistant Director and Carol Hislop, Senior Audit Manager, Audit Services, joined the meeting.*

Carol Hislop introduced the report on Professional Trainee scheme: School leavers update, a copy of which had been previously circulated.

Carol invited Management Team to note the expansion of the professional trainee scheme to include school leavers and to consider the future of the school leaver scheme.

A detailed discussion followed on the CIPFA Apprenticeship scheme and the five year ICAS scheme, considering the responsibility of recruiting and the level of qualification available through each provider.

Following discussion, Management Team agreed Audit Scotland should continue the school leaver scheme through ICAS with David Blattman and the HR & OD team taking forward engagement with candidates through existing contacts and new networks, such as Young Scot, schools, etc. Diane McGiffen and Fraser McKinlay also offered their time to speak at school career fairs or host visits.

Management Team welcomed the report, recognising the efforts of Fiona, Carol and the wider team for ensuring the school leaver scheme in 2017 was a success.

*Fiona Mitchell Knight, Assistant Director and Carol Hislop, Senior Audit Manager, Audit Services, left the meeting.*



### **3. Draft agenda: Accounts Commission 14 March 2018**

Management Team noted the draft agenda for the meeting of the Accounts Commission on 14 March 2018, noting the report on the changing Social Security landscape would come to next week's meeting of Management Team.

### **4. Draft agenda: Audit Committee 14 March 2018**

Management Team considered the draft agenda and noted the items scheduled to come to next week's meeting of Management Team for consideration.

### **5. Draft agenda: Audit Scotland Board 28 February 2018**

Management Team noted the proposed agenda for the meeting of the Audit Scotland Board on 28 February 2018. Diane also advised that the Board were holding a development workshop immediately after the meeting as part of their continuing commitment to review the effectiveness of the Board.

### **6. Draft agenda: Management Team 27 February 2018**

Management Team noted the draft agenda for the meeting on 27 February 2018 and welcomed the rescheduled 'People' discussion.

### **7. Any other business**

Diane McGiffen provided a verbal update of discussions at the UK Audit agencies Chief Operating Officers meeting on Friday 16 February 2018 which was hosted by the Wales Audit Office in Cardiff.

### **8. Date of next meeting**

The next meeting of Management Team will take place on Tuesday 27 February 2018.

## Management Team

Tuesday 27 February 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay (Chair)  
Diane McGiffen  
Fiona Kordiak  
Caroline Gardner  
Lorna McEwan (Minutes)

### Apologies:

None

### In attendance:

Mark Taylor, Assistant Director, Audit Services  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Alex Devlin, Corporate Governance Manager  
David McGurk, Service Delivery Manager, Digital Services

#### 1. Minutes of meeting: 20 February 2018

The draft minutes dated 20 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

#### 2. Changing Social Security Landscape

*Mark Taylor, Assistant Director, joined the meeting.*

Mark Taylor introduced the Changing Social Security Landscape report, a copy of which had been previously circulated.

Mark invited Management Team to comment on the report prior to submission to the Accounts Commission on 8 March 2018.

A detailed discussion followed on the contents of the report with agreement on minor modifications prior to consideration by the Accounts Commission.

It was agreed that Mark would liaise with Paul Reilly prior to the meeting of the Accounts Commission to reflect on the 'next steps' of the report.

It was further agreed that a wider communications plan would be established and the Communications team would be engaged in this respect.

Management Team welcomed the report and approved it for submission to the meeting of the Accounts Commission on 8 March, subject to minor amendment.

**Action: Mark Taylor to meet with Paul Reilly to discuss the Changing Social Security Landscape paper, prior to 8 March 2018.**

**The Communications team to establish a wider plan to communicate the findings of the report. (March 2018)**

Mark Taylor, Assistant Director, left the meeting.

### **3. Risk Reporting**

*Martin Walker Assistant Director, Corporate Performance and Risk, and Alex Devlin, Corporate Governance Manager, joined the meeting.*

#### **Review of risk register:**

Martin Walker introduced the revised risk register, which had been previously distributed and invited Management Team to review and comment on Audit Scotland's corporate risk appetite.

Management Team noted that overall the risk register was consistent with the one considered by the Audit Committee at its meeting on 15 November 2017 and a discussion followed on the registers one red risk relating to cyber security.

A discussion followed on the risks surrounding Brexit and Audit Scotland's ongoing understanding and engagement with external stakeholders whilst understanding the impact on our work and building in capacity to respond to issues as they arise.

Following a discussion in respect of the risks around cyber security, it was agreed that this would continue when David McGurk joined the meeting.

#### **Risk interrogation: Legitimacy, relevance and independence**

Martin Walker introduced the risk interrogation on independence, legitimacy and relevance report, a copy of which had been previously distributed.

Following a request from the Audit Committee in 2014 asking for individual items from the risk register to be selected for more detailed consideration, Martin invited Management Team to comment on the failure of legitimacy and relevance risk and the failure of independence risk.

Following discussion Management Team welcomed the report.

### **4. Internal audit reporting:**

#### **Follow up report**

Alex Devlin introduced the internal audit follow up report compiled by BDO, a copy of which had been previously distributed.

Management Team welcomed the good progress made in respect of the outstanding recommendations and requested that more precision be given when identifying timescales.

#### **Review of risk areas to inform internal audits 2018/19**

Alex Devlin introduced the review of risk areas to inform internal audits 2018/19 report, a copy of which had been previously distributed.

Management Team welcomed the report and noted the good assurance on coverage of the internal audits carried out over the last three years.

Management Team noted that following the conclusion of the tender process for an external provider for internal audit services for the period 2018/19 – 2020/21, two potential suppliers would be interviewed on 7 March 2018.

### **5. Annual assurance and statement of control process**

Alex Devlin introduced the annual assurance and statement of control process 2018 report, a copy of which had been previously distributed.

Management Team welcomed and noted the contents of the report.

## 6. Whistleblowing Prescribed Persons update

Alex Devlin introduced the whistleblowing prescribed persons report which sought to update Management Team on the role of Audit Scotland in this respect.

Management Team welcomed the update and following discussion, it was agreed that a letter of complaint would be drafted to the Scottish Government on behalf of Diane McGiffen.

**Action: Alex Devlin to draft a communication to the Scottish Government on behalf of Diane McGiffen – deadline 7 March 2018.**

*Alex Devlin left the meeting*

## 7. Digital security enhancements

*David McGurk, Service Manager, Digital Services, joined the meeting.*

David McGurk introduced the report which sought to apprise Management Team of improvements to Audit Scotland's digital security within an environment of increasing risk from malicious activity, a copy of which had been previously distributed.

Management Team welcomed the series of proposed enhancements to improve how Audit Scotland manages the threat to its digital security and following discussion it was agreed that the organisation would endeavour to go further in engagement with other public sector bodies to manage risk in this respect.

Following discussion of the 'failure to protect digital infrastructure, systems and information' risk, Management Team recommended that this risk be reduced to amber.

*Martin Walker and David McGurk left the meeting.*

## 8. Audit Partners meeting 26 March 2018

Following discussion of the agenda for the audit partners meeting scheduled to take place on 26 March 2018 it was agreed that the quality framework (including prior year adjustments) and Brexit would be considered along with a two minute general update from each attendee.

## 9. Draft agenda: Management Team 6 March 2018

Following discussion, Management Team approved the draft agenda for the meeting scheduled to take place on 6 March 2018.

## 10. Any other business

No other business was discussed at the meeting.

## 11. Date of next meeting

The next meeting of Management Team will take place on Tuesday 6 March 2018.

## 12. People focus and developments

*Mark Taylor, Angela Canning, David Blattman, Susan Fisher, Tracey Bray and Martin Walker joined the meeting.*

Management Team welcomed the opportunity to take stock of progress, volume and alignment in respect of people focus along with the opportunity to consider the next stages.

Following a discussion on the process elements the group agreed that embedded values and attributes should continue along with a shared understanding of acceptable/non acceptable behaviours.

It was agreed that further discussion on recruitment and retention would take place at a later date.

The group agreed to give consideration to the next stages of people focus and developments:

- Managers/teams recognising the progress made in respect of the BABO process;
- Developing and recognising skills and talents through team discussions;
- Supporting good career management and the sharing of good examples;
- People Focus Group / BABO – possible reinvention with refreshed membership.

**Action: Further discussion on recruitment and retention to take place at a later date.**

## Management Team

Tuesday 6 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay (Chair)  
Diane McGiffen  
Caroline Gardner  
Joy Webber (Minutes)

### Apologies:

Fiona Kordiak  
Paul Reilly

### In attendance:

James Gillies, Communications Manager  
Brian Howarth, Assistant Director, Audit Services  
David Blattman, HR & OD Manager

#### 1. Minutes of meeting: 27 February 2018

The draft minutes dated 27 February 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

#### 2. Communications Digest

*James Gillies, Communications Manager, and Brian Howarth, Assistant Director, Audit Services joined the meeting.*

James Gillies introduced the Communications Digest report, a copy of which had been previously circulated.

James summarised the key highlights from the report and invited Management Team to note the high level of activity reported.

Management Team discussed the range of coverage received as well as the level of recent engagement with Parliamentary Committees.

Following discussion, Management Team welcomed the overview and agreed a discussion around the impact of failing public/private contracts on the public sector would be added to the agenda for the Audit Partners meeting on 26 March 2018.

**Action: An agenda item on the impact of public/private contracts to be scheduled for the meeting of the Audit Partners on 26 March 2018. (March 2018)**

Mark Taylor, Assistant Director, left the meeting.

#### 3. Hotlist of emerging audit risks

Brian Howarth introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Brian invited Management Team to note the emerging audit risks reported and welcomed any comments on the watchlist and proposed closure of risk.

During detailed discussion, Management Team agreed a number of risks that should remain on the watchlist.

Following discussion, Management Team welcomed the report.

*James Gillies and Brian Howarth left the meeting.*

#### **4. Internal audit reporting:**

##### **Workforce planning and resource management**

*David Blattman, HR & OD Manager, joined the meeting.*

David Blattman introduced the internal audit report received from BDO on Workforce planning and resource management, a copy of which had been previously circulated.

David invited Management Team to note the substantial assurance received and welcomed any comments.

Management Team welcomed the assurance received while recognising the need to continue to develop our strategic focus on skills development and retention of talent to meet the future needs of Audit Scotland and public audit in Scotland.

#### **8. Draft agenda: Remuneration and Human Resources Committee meeting 28 March 2018**

David Blattman invited Management Team to note the draft agenda and welcomed any comments. He advised that the business scheduled to go to Remco would come to next week's Management Team meeting.

Diane McGiffen provided a verbal update on pay negotiations with the PCS Union and Management Team discussed the Scottish Government's published guidelines. Management Team welcomed the update in advance of the draft Remco report to be considered next week.

Management Team noted the agenda.

*David Blattman left the meeting.*

#### **5. Draft agenda: Management Team 13 March 2018**

Management Team discussed the draft agenda for the meeting scheduled to take place on 13 March 2018, and following discussion agreed that the strategy focussed discussion would take place at the Leadership Group meeting on 21 March 2018.

#### **6. Agenda: Accounts Commission Strategy seminar 13/14 March 2018**

In the absence of Paul Reilly, Management Team considered the agenda for the forthcoming Accounts Commission Strategy seminar on 13 and 14 March 2018, which had been previously circulated.

Management Team noted the proposed proceedings and Fraser McKinlay's session setting out Audit Scotland's risk analysis for local government.

## **7. Draft Agenda: Leadership Group 21 March 2018**

Following discussion at Item 5 above, Diane McGiffen and Fraser McKinlay advised they would agree and communicate the leads for the strategy focussed discussion.

## **9. Any other business**

There was no further business.

## **10. Date of next meeting**

The next meeting of Management Team will take place on Tuesday 13 March 2018.



## Management Team

Tuesday 13 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay (in part)  
Caroline Gardner  
Joy Webber (Minutes)

### Apologies:

Fiona Kordiak  
Fraser McKinlay (from item 8)

### In attendance:

David Blattman, HR & OD Manager  
Gordon Smail, Assistant Director  
Jim Rundell, Senior Audit Manager  
Paul O'Brien, Senior Audit Manager  
Stephen Forrest, Audit Officer  
James Gillies, Communications Manager  
Bruce Stoddart, Senior Graphic Designer  
Martin Walker, Assistant Director, Corporate Performance and Risk

### 1. Minutes of meeting: 6 March 2018

Management Team agreed the draft minutes dated 6 March 2018 would be recirculated for consideration at next week's meeting.

### 2. 2018 Pay negotiations update

*David Blattman, HR & OD Manager, joined the meeting.*

Management Team noted the confidential aspects of this item and the discussion is recorded in a separate confidential minute.

### 3. Pension scheme policy statement

David Blattman, HR & OD Manager, introduced the Pension scheme policy statement report, which had been previously circulated.

David invited Management Team to consider the proposal to adopt a policy statement regarding the management of pension tax charges for higher earning employees whose contributions exceed the HMRC annual allowance, as requested by Lothian Pension Fund who administer the Local Government (Scotland) Pension Scheme (LGPS) for Audit Scotland staff.

Diane McGiffen and Fraser McKinlay declared a possible conflict of interest as potential beneficiaries under the proposed policy statement.

Caroline Gardner confirmed she did not have a conflict of interest and stated that Audit Scotland should apply a consistent approach to adopting pension policy statements and was content to recommend to the Remuneration and Human Resources Committee (Remco) the adoption of a

policy statement to appear alongside other pension policy statements as part of the Staff Handbook.

David Blattman agreed to prepare a report to Remco from the Accountable Officer recommending the adoption and setting out the criteria Audit Scotland would use to assess any claim.

**Action: David Blattman to prepare a report on behalf of the Accountable Officer to Remco proposing the adoption of the draft pension policy statement. (March 2018)**

*David Blattman left the meeting.*

#### **4. Professional Support draft operational plan 2017/18**

*Gordon Smail, Assistant Director, Jim Rundell, Senior Audit Manager, and Paul O'Brien, Senior Manager, joined the meeting.*

Gordon Smail introduced the Professional Support draft operational plan for 2017/18, which had been previously circulated.

Gordon invited Management Team to note the progress made in implementation of the new professional support arrangements and in developing the draft operational plan which brings colleagues together from the Technical support unit (TSU), Business improvement unit (BIU) and the forthcoming opportunities for input from Performance Audit and Best Value.

Management Team welcomed the report and the draft operational plan and during detailed discussion noted the wider engagement in order to continue to develop established areas of activity and also inform the team's contribution to organisational wide developments.

During detailed discussion, Management Team reflected on resources and agreed more communication around the opportunities arising in this developing team was important. Jim Rundell advised he had been working with Digital Services on the data mining on MKI and developing proposals around training to maximise impact.

Finally, Management Team agreed a summary of key objectives at the end of each section would be useful to inform priorities and timescales of work to be undertaken in the audit year.

Following discussion, Management Team recognised the work of the team in developing the plan and welcomed the discussion.

*Jim Rundell and Paul O'Brien left the meeting.*

#### **5. Openness and transparency**

*Stephen Forrest, Audit Officer joined the meeting.*

Gordon Smail introduced the report on Openness and Transparency, a copy of which had been previously circulated.

Gordon invited Management Team to comment on the form and its suitability as an additional output for audited bodies and as guidance to support local audit work.

Management Team discussed the report which provided clarity around the key governance issues for the public sector, was based on audit experience and engagement with audit committees and welcomed the consistent approach and confident presentation.

Gordon advised this would be shared with the Board and Accounts Commission before its scheduled publication in April.

Management Team recognised the investment of time by Gordon and the team to develop the audit view and welcomed this additional tool for auditors.

*Gordon Smail and Stephen Forrest left the meeting.*

## **6. Outline annual report and accounts**

*James Gillies, Communications Manager and Bruce Stoddart, Senior Graphic Designer, joined the meeting.*

James Gillies introduced the report on the Annual report and accounts proposals, which had been previously circulated and invited comment on the proposed structure, content and design.

Bruce invited Management Team to review the visual images which had been refreshed to highlight sections more readily, provided additional substance to the summaries and case studies and the proposal to produce a video alongside the report.

Management Team welcomed the report and visuals and discussed the link to the overall performance of the current corporate plan should pull through together with links to other annual reporting due.

Following discussion, Management Team welcomed the new graphics and outline proposals and approved its submission to the Board at its meeting on 28 March 2018.

*James Gillies and Bruce Stoddart left the meeting.*

## **7. Public sector audit risk and assurance framework**

*Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the six monthly report on the Public sector audit risk and assurance framework, a copy of which had been previously circulated.

Martin highlighted the escalation of two risks from amber to red, one relating to the impact of public sector reform on improving outcomes and how well the process is being managed and the other in relation to the departure from the EU and the limited progress made in the negotiation process.

Management Team reflected on the increased risks and discussed key aspects around good governance, responsiveness to issues and the process around reviewing the framework. Management Team agreed this was a useful tool to inform and develop the work programme and a good basis for identifying and deploying resources effectively.

Following discussion, Management Team welcomed the report and the assurance it provided. Martin advised he would also liaise with the other audit agencies to establish any further UK wide risks which may further impact our work.

*Fraser McKinlay, Director of Performance Audit and Best Value left the meeting.*

## **8. Draft Corporate plan 2018/21**

Martin Walker introduced the Draft Corporate plan 2018/21 report, which had been previously circulated.

Martin invited Management Team to consider and comment on the first draft of the Corporate Plan for 2018 to 2021 and subject to any comments, agreed a revised draft for consideration by the Board on 28 March 2018.

Management Team welcomed the audit priorities which continue to evolve as part of our aspiration to be a world class audit organisation and the links to the annual report and accounts where we will report on our progress.

During discussion, Management Team provided detailed comments and feedback on the guiding principles, suggestions on case studies, labelling of the key workstreams and stating what world class means to Audit Scotland.

Following discussion, Management Team welcomed the report and agreed a draft for consideration by the Board.

## **9. Management Team terms of reference**

Management Team agreed to defer this item to May 2018 alongside reporting to Remco on Management Team role profiles and pay reward.

*Martin Walker left the meeting.*

## **10. Draft agenda: Management Team 20 March 2018**

Management Team noted the draft agenda for the meeting on 20 March 2018.

## **11. Draft Agenda: Board 28 March 2018**

Management Team noted the proposed agenda for the Board meeting on 28 March 2018.

## **12. Any other business**

There was no further business.

## **13. Date of next meeting**

The next meeting of Management Team will take place on Tuesday 20 March 2018.

## Management Team

Tuesday 20 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Fraser McKinlay

### In attendance:

Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting:

### 6 March 2018

Management Team considered the draft minutes dated 6 March 2018 and agreed they were an accurate record of the meeting, subject to minor amendment.

### 13 March 2018

Management Team considered the draft minutes dated 13 March 2018 and agreed these were an accurate record of the meeting, subject to minor amendment. Management Team also considered the Confidential minutes dated 13 March 2018 and agreed these were an accurate record of the discussion.

## 2. Year end financial update

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis provided a verbal update on the current forecast of a £250k underspend to the end of March 2018.

Management Team discussed the report to be considered by the Remuneration and Human Resources Committee on pay negotiations and welcomed a discussion around the medium term financial modelling required in light of the removal of the pay cap by the Scottish Government. Stuart advised work was underway to assess the financial impact on the budget and fee strategy in the short and medium term and also advised of planning underway for the allocation of funding for the expanded new financial powers work resource.

Management Team welcomed the discussion and agreed they were content with the forecast for the current financial year.

## 3. Draft agenda: Management Team 27 March 2018

Management Team noted the draft agenda for the meeting on 27 March 2018.

**4. Any other business**

There was no further business.

**5. Date of next meeting**

The next meeting of Management Team will take place on Tuesday 27 March 2018.

## Management Team

Tuesday 27 March 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

### In attendance:

Mark Taylor, Assistant Director, Audit Services Group  
Rebecca Seidel, Audit Manager, PABV  
Lynn Scott, BSS Manager  
Martin Walker, Assistant Director, Corporate Performance and Risk  
David Blattman, HR & OD Manager

## 1. Minutes of meeting:

### 20 March 2018

Management Team considered the draft minutes dated 20 March 2018 and agreed they were an accurate record of the meeting.

## 2. New financial powers update

*Mark Taylor, Assistant Director and Rebecca Seidel, Audit Manager joined the meeting.*

Rebecca Seidel introduced the New financial powers and constitutional change update, which subject to approval, would be considered by the Board on 2 May 2018.

During discussion Management Team recognised the significant developments since the last Board update in November 2017 which included the latest publication in a series of performance audits on managing the implementation of the Scotland Acts on 28 March 2018.

Management Team recognised the work undertaken to build capacity for additional work in 2018/19 in response to financial devolution, and welcomed the establishment of two new teams with responsibility for auditing social security and public financial management.

Management Team welcomed the two planned budget process sessions scheduled to take place in West Port on 11 and 18 May 2018.

Following discussion Mark agreed to circulate the final version of the paper to Management Team for comment week commencing 16 April 2018, to provide the opportunity to comment on any updates and amendments prior to consideration by the Board on 2 May 2018.

**Action: Mark Taylor to circulate the final version of the paper to Management Team week commencing 16 April 2018, for final comment and approval. (April 2018)**

### 3. Business Support Services review

*Lynn Scott, Business Support Manager and Martin Walker, Assistant Director joined the meeting.*

Lynn Scott introduced the Business Support Services strategic overview report, a copy of which had been previously circulated.

Lynn summarised the key highlights from the report and invited Management Team to consider the proposal for increasing the establishment as set out in table 3 of the paper.

Following discussion, Management Team agreed that one vacant post to be filled and following a settling in period of the new BSS Manager, revisit the remaining post. Lynn agreed to give further consideration to the role of the new resource before making a final recommendation.

Management Team congratulated Lynn on her recent success in securing employment with the Scottish Ambulance Service. They expressed enormous appreciation for her achievements over the last five years with Audit Scotland and wished her well in her new role.

**Action: Lynn Scott to give further consideration to the role of the new BSS resource.**

*Martin Walker, Assistant Director left the meeting.*

### 4. 2018 Audit Scotland Conference feedback

Lynn Scott introduced the Audit Scotland 2018 staff conference feedback report, which had been previously circulated.

Following discussion of the results of the survey questionnaire Management Team noted that 94% were very satisfied / satisfied with the conference overall. It was agreed that an all staff conference should take place in 2019 and that a working group would be set up to organise the event. It was agreed that Diane would liaise with the 2018 conference team to take this forward.

Following on from the interest generated at the breakout sessions at the conference, Management Team agreed that knowledge cafes be organised for City Deals, Digital Auditing and EU withdrawal.

Management Team expressed appreciation and thanks to Lynn Scott, Jim Rundell and the working group for the success of the Audit Scotland 2018 Conference.

**Action: Diane McGiffen to contact the 2018 working group to discuss plans for the 2019 conference, agree an outline and take forward arrangements. (April 2018)**

*Lynn Scott left the meeting.*

### 5. Summary from Accounts Commission Strategy seminar

*Paul Reilly joined the meeting.*

Paul Reilly introduced the Accounts Commission strategy seminar 2018 summary paper, a copy of which had been previously circulated.

Fraser McKinlay summarised the key highlights from the seminar and invited Management Team to note the positive engagement throughout the event.

Management Team noted that the revised strategy would be considered at the Accounts Commission meeting of 10 May 2018.



## 6. **Draft agenda: Accounts Commission meeting 12 April 2018**

Paul Reilly introduced the draft agenda for the Accounts Commission meeting scheduled for 12 April 2018.

Following discussion and subject to minor amendment, Management Team noted the draft agenda for the meeting on 12 April 2018.

*Paul Reilly left the meeting.*

## 7. **Workforce plan**

*Mark Taylor, Assistant Director and David Blattman, HR & OD Manager joined the meeting.*

David Blattman introduced the draft Workforce plan, a copy of which had been previously circulated.

David summarised the contents of the report and invited Management Team to comment.

Management Team welcomed sight of the plan and following discussion agreed that the plan should be more streamlined and include further consideration of future capacity and skills.

**Action: Mark Taylor and David Blattman to revise the draft Workforce plan. (April 2018)**

*Mark Taylor, Assistant Director and David Blattman, HR & OD Manager left the meeting.*

## 8. **Draft agenda: Management Team 10 April 2018**

Management Team noted the draft agenda for the meeting of 10 April 2018.

## 9. **Any other business**

There was no further business.

## 10. **Date of next meeting: 10 April 2018**

The next meeting of Management Team will take place on Tuesday 10 April 2018.

## Management Team

Monday 9 April 2018, 3.30pm

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fiona Kordiak  
Fraser McKinlay  
Nicola Constable (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Elaine Boyd, Assistant Director, Corporate Services Group (by telephone)  
Fiona Daley, Consultant (by telephone)  
John Gilchrist, Manager, Corporate Services Group  
Owen Smith, Senior Manager, Corporate Services Group  
Tricia Meldrum, Senior Manager, Performance Audit and Best Value  
Martin Walker, Assistant Director, Corporate Performance and Risk

## 1. Minutes of meeting:

### 27 March 2018

The draft minutes dated 27 March 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. Draft Audit Quality monitoring report

*Elaine Boyd Assistant Director, Fiona Daley, Consultant, Owen Smith and John Gilchrist, Senior Managers, joined the meeting.*

Elaine Boyd introduced the Draft Audit Quality Monitoring report, a copy of which had been previously circulated. Elaine summarised the main areas from the report and welcomed any comments from Management Team.

Management Team welcomed the assurance that overall annual audits were compliant with the Code of Audit Practice and the ISAs and discussed areas for future improvement.

During detailed discussion, Management Team provided comments and suggestions on the report and specifically around engagement across the organisation on the quality of annual audit reports prior to consideration by Management Team.

Management Team welcomed the discussion and thanked the team for their work in producing the report, acknowledging this was a new report and was in good shape with substantive material to take forward.

Following discussion, the team agreed make further amendments prior to consideration by the Accounts Commission and Audit Committee.

**Action:** Elaine Boyd to revise the draft Audit quality monitoring report prior to consideration by the Accounts Commission and Audit Committee. (April 2018)

### 3. Review of prior period error report

Elaine Boyd introduced the Review of prior period error report, a copy of which had been previously circulated.

Management Team welcomed the report and discussed the issues arising as part of the main audit quality monitoring report.

*Elaine Boyd, Fiona Daley, Owen Smith and John Gilchrist left the meeting.*

### 4. Engagement with young people

*Tricia Meldrum, Senior Manager, joined the meeting.*

Diane introduced the Engagement with young people paper, a copy of which had been previously circulated, which subject to approval, would be considered by the Board on 2 May 2018. Tricia Meldrum highlighted the two main themes they are proposing to take forward.

Fraser McKinlay noted that the year of the young people provided a good opportunity to continue our engagement with young people and build on our work as part of the public sector family.

Following discussion, Management Team noted the paper and agreed to support the actions going forward.

*Tricia Meldrum left the meeting.*

### 5. Corporate plan 2018/21

*Martin Walker, Assitant Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the updated Corporate Plan, which subject to approval, would be considered by the Board on 2 May 2018.

Martin highlighted the main areas amended from the previous draft and invited Management Team to consider and comment on the revised draft of the Corporate Plan for 2018 to 2021.

Management Team thanked Martin for his work in revising the draft following previous Board consideration in March and all agreed it is looking in good shape.

During discussion Management Team provided comments and feedback around the first part of the Plan and suggestions for minor areas of restructuring within the document.

Following discussion, Management Team welcomed the updated report and agreed a draft, subject to above mentioned changes, for consideration by the Board.

**Action:** Martin to revise the draft Corporate Plan. (April 2018)

*Martion Walker left the meeting.*

### 6. Draft agenda: Accounts Commission Committees meeting 26 April 2018

Management Team noted the draft agendas for the Committee meetings on 26 April 2018.

### 7. Draft agenda: Management Team 17 April 2018

Management Team noted the draft agenda for the meeting on 17 April 2018.

**8. Any other business**

There was no further business.

**9. Date of next meeting: 17 April 2018**

The next meeting of Management Team will take place on Tuesday 17 April 2018.

## Management Team

Tuesday 17 April 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fiona Kordiak (Chair)  
Diane McGiffen (by telephone)  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Antony Clark, Assistant Director, Performance Audit and Best Value  
Claire Robertson, BDO  
Andrew O'Donnell, BDO  
Alex Devlin, Corporate Governance Manager

#### 1. Minutes of meeting: 9 April 2018

The draft minutes dated 9 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

#### 2. 2018 Pay award negotiations update

Diane McGiffen provided a summary of the pay offer which aligns with the Scottish Government's guidance and advised of the timeline of a response from the Union, all of which had been communicated to colleagues yesterday.

Management Team welcomed the update.

#### 3. 2018/19 Operational budget

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the 2018/19 Operational budget report, a copy of which had been previously circulated.

Stuart invited Management Team to note the proposed adjustment to the budget to accommodate the impact of Audit Scotland's pay offer.

Management Team considered the proposed adjustments to manage a now fully committed budget, including the reallocation of the Audit Strategy budget, the proposed vacancy factor, regular monitoring of the budget for new financial powers resourcing and review of uncommitted budgets such as the Management Team contingency.

Management Team recognised the proposed budget was much tighter but with careful management it retained some flexibility and discussed the proposal to incorporate a payroll contingency in future budgets. In addition, Management Team agreed they would welcome early sight of the learning and development strategy for the next two years to ensure we can

maintain delivery of the programme. Diane McGiffen agreed to discuss this with PDGG and HR.

Following discussion, Management Team agreed a blanket vacancy factor should apply across the organisation with enhanced monthly reporting around the new financial powers and uncommitted budgets to ensure clear monitoring. Management Team also agreed they would welcome more scrutiny and discussion around fees and billing as part of the quarterly performance reporting.

Management Team welcomed the report.

**Action: Diane McGiffen to liaise with PDGG and HR to bring the learning and development strategy to Management Team. (May 2018)**

*Stuart Dennis left the meeting.*

#### **4. Review of the new approach to auditing Best Value**

Fraser McKinlay introduced the Review of the new approach to auditing Best Value report, which had been previously circulated.

Fraser invited Management Team to note the report which had been considered by the Accounts Commission on 8 February 2018 and subject to agreement was to be considered by the Board at its meeting on 2 May 2018.

Management Team reflected on the report and agreed it would be updated to include the amendments made to the guidance to auditors as a consequence of the review before it is submitted to the Board.

**Action: Fiona Mitchell Knight to update the Board report. (April 2018)**

#### **5. Work programme and publication schedule**

*Antony Clark, Assistant Director, Performance Audit and Best Value, joined the meeting.*

Antony Clark introduced the Work programme and publication schedule report, which subject to approval, would be considered by the Board on 2 May 2018.

Antony invited Management Team to note the report provided oversight of the rolling work programme from 2018 to 2022 together the publication schedule to 2019/20.

Management Team acknowledged the comprehensive programme of work and welcomed the inclusion of impact reporting and subject to amendment approved its submission to the Board.

**Action: Antony Clark to update the Board report. (April 2018)**

*Anthony Clark left the meeting.*

#### **6. Internal audit priorities discussion**

*Claire Robertson and Andrew O'Donnell, BDO and Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the discussion with BDO and invited Management Team to discuss the key risks and audit assessments in order to inform the new programme of internal audit, a draft of which would come to Management Team ahead of the Audit Committee meeting on 23 May 2018.

Fiona Kordiak welcomed Claire Robertson and Andrew O'Donnell to the meeting before opening the discussion with Management Team.

During discussion, Management Team considered some of the key risks facing the organisation including capacity, workforce development and opportunities, quality outputs, digital skills and security, complaints handling, finance planning and fee charging mechanisms, the National Fraud Initiative and GDPR and records managements. In addition, Management Team would welcome BDO bringing an efficiency lens to our controls and processes.

Claire Robertson advised the next steps would be for BDO to propose a programme of internal audit work which would be shared with Management Team ahead of its presentation to the Audit Committee on 23 May 2018.

**Action: BDO to provide a draft programme of internal audit reporting prior to the Audit Committee. (April 2018)**

## 7. Data protection policy

Alex Devlin introduced the Data protection policy report, a copy of which had been previously circulated.

Alex invited Management Team to consider the updated policy which subject to agreement would be submitted to the Board for approval on 2 May 2018.

Management Team considered the updated policy and sought assurance on the main changes, the reporting and governance arrangements for Audit Scotland, assurance around resource requirements and our overall preparedness. Alex advised that the main change to the policy related to justifying the lawful use of personal data and invited Management Team to note progress made included a refreshed e-learning module, which colleagues would be invited to do in advance of the new regulations coming into effect as well as updates to our website.

Following discussion, Management Team agreed they would welcome a report on the overall governance arrangements and our preparedness for GDPR.

**Action: Alex Devlin to report on the governance arrangements for GDPR. (May 2018)**

## 8. Information security management policy

Alex invited Management Team to consider the updated policy which subject to approval would be considered by the Board on 2 May 2018.

Management Team considered the policy and approved its submission to the Board for consideration at its meeting on 2 May 2018, subject to showing the minor amendments in track changes for ease of reference.

**Action: Alex Devlin to track the amendments to the policy prior to submission to the Board. (April 2018)**

## 9. Draft agenda: Management Team 24 April 2018

Management Team noted the draft agenda for the meeting on 24 April 2018.

## 10. Any other business

Fiona Kordiak provided Management Team with a brief summary of the meeting to discuss quality and reporting with the Appointments and Assurance and Professional Support teams yesterday.

## 11. **Date of next meeting: 24 April 2018**

The next meeting of Management Team will take place on Tuesday 24 April 2018.



## Management Team

Tuesday 24 April 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

None

### In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk  
Alex Devlin, Corporate Governance Manager  
David Blattman HR & OD Manager  
Paul Reilly, Secretary to the Accounts Commission

### 1. Minutes of meeting: 17 April 2018

The draft minutes dated 17 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Data Protection: GDPR compliance update

*Martin Walker, Assistant Director, Corporate Performance and Risk and Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the Data Protection: GDPR compliance update report, a copy of which had been previously circulated.

Alex invited Management Team to note the progress made towards GDPR compliance and provided a verbal update on recent progress of the Bill through Parliament together with details of next steps and associated resource implications.

During detailed discussion, Management Team agreed that additional resource should be secured in order to undertake the population of the Personal Information Processing Register and the Legitimate Interests Assessment as a priority. In addition, Management Team agreed that KITGG would have an oversight for policy compliance and noted that the mandatory e-learning package had been updated and would be shared with colleagues on Wednesday 25 April 2018.

Following discussion, Management Team welcomed the assurance provided around Audit Scotland's preparedness for GDPR which comes into force on 25 May 2018.

### 3. Annual assurance reporting for 2017/18

Alex Devlin introduced a number of annual assurance reports for 2017/18 and invited Management Team to consider them before recommending to the Audit Scotland Board or Audit Committee for approval.

- 2017/18 Annual report on Whistleblowing

Alex advised Management Team that there had been no disclosures reported. Alex invited Management Team to note that the Scottish Government had confirmed steps being taken to reinstate Audit Scotland as a prescribed person by 1 August 2018. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Bribery and fraud

Alex advised Management Team that there had been no cases of fraud or bribery identified or detected in Audit Scotland. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Hospitality and gifts

Alex invited Management Team to note the hospitality and gifts recorded and assurance that our governance arrangements continue to be fit for purpose. Management Team welcomed the assurance provided.

- 2017/18 Annual report on Information governance and security

Alex invited Management Team to note the assurance provided following a review by the KITGG of our information governance and security management at Audit Scotland. Management Team welcomed the report.

- 2017/18 Annual report on data loss/incidents

Alex invited Management Team to note there had been 12 incidents reported in the year. Management Team asked whether there were any emerging trends and Alex confirmed the number of incidents fluctuate year on year with no specific trends to report. Management Team welcomed the assurance provided.

Following consideration, Management Team thanked Alex for the assurance reports and recommended them to the Board or Audit Committee for approval.

**Action: Alex Devlin to submit the assurance reports to the Board/Audit Committee. (May/June 2018)**

*Martin Walker and Alex Devlin left the meeting.*

#### **4. Agenda: Board 2 May 2018**

Management Team noted the agenda for the Board meeting on 2 May 2018.

#### **5. Draft agenda: Management Team 1 May 2018**

Management Team noted the draft agenda for its meeting on 1 May 2018.

#### **6. Draft agenda: Leadership Group 9 May 2018**

Management Team considered the proposed agenda for the meeting of the Audit Committee on 23 May 2018 and following discussion agreed the two reports on Quality should be combined.

#### **7. Draft agenda: Remuneration and Human Resources Committee 23 May 2018**

*David Blattman, HR & OD Manager, joined the meeting.*

David Blattman invited Management Team to consider the draft agenda and invited any comments on the items to be considered.

Management Team noted the agenda and agreed that a review later in the year would be scheduled to consider the option for a multi year pay policy alongside ongoing recruitment and retention.

In addition, Diane McGiffen, Fraser McKinlay and Fiona Kordiak agreed to meet at the conclusion of the meeting to discuss the refreshed Management Team role profiles.

Management Team welcomed the agenda.

**Action: David Blattman to schedule a report for a multi year pay policy. (TBC 2018)**

*David Blattman left the meeting.*

## **8. Draft agenda: Accounts Commission 10 May 2018**

*Paul Reilly, Secretary to the Accounts Commission, joined the meeting.*

Paul Reilly invited Management Team to consider the proposed agenda for the Accounts Commission meeting on 10 May 2018.

Management Team noted the two Best Value reports scheduled and the Commission strategy update report following on from their recent strategy seminar.

Management Team welcomed the discussion.

*Paul Reilly left the meeting.*

## **9. Any other business**

Management Team discussed recent evidence sessions at Parliament and considered the forthcoming refresh of the Public Audit in Scotland publication and associated engagement plan.

## **10. Date of next meeting: 1 May 2018**

The next meeting of Management Team will take place on Tuesday 1 May 2018.

## Management Team

Tuesday 1 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

None

### In attendance:

James Gillies, Communications Manager  
Mark Taylor, Assistant Director, Audit Services  
Angela Canning, Assistant Director, Performance Audit and Best Value  
Anne Cairns, Manager, Benefits  
Alex Devlin, Corporate Governance Manager  
Catherine Young, Audit Manager  
Dorothy Lavery, Auditor  
Antony Clark, Assistant Director, Performance Audit and Best Value  
Elaine Boyd, Assistant Director, Appointments and Assurance  
Owen Smith, Senior Manager, Appointments and Assurance  
John Gilchrist, Manager, Appointments and Assurance  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Mark Roberts, Senior Manager, Performance Audit and Best Value  
Kirstin Scott, Auditor, Performance Audit and Best Value

### 1. Minutes of meeting: 24 April 2018

The draft minutes dated 24 April 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Communications Digest

*James Gillies, Communications Manager and Mark Taylor, Assistant Director, Audit Services, joined the meeting.*

James Gillies introduced the Communications Digest, a copy of which had been previously circulated.

James summarised the key highlights from the report and invited Management Team to note the high level of activity reported.

Management Team discussed the range of coverage received as well as the level of recent activity within the Scottish Police Authority and Police Scotland.

Following discussion, Management Team welcomed the overview and agreed that more briefings would be offered to Board members to further enhance the profile and branding of Audit Scotland.

**Action: Diane McGiffen to take forward the suggestion of additional briefings for Board members. (June 2018)**

### 3. Hotlist of emerging audit risks

Mark Taylor introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Management Team welcomed the report and expressed appreciation to all Assistant Directors, noting that the process is now well embedded and working very well.

Mark invited Management Team to note the emerging audit risks reported and welcomed any comments on the watchlist and proposed closure of risks.

During detailed discussion, Management Team agreed that one item should be closed and the Hotlist would be updated accordingly.

*Mark Taylor and James Gillies left the meeting.*

### 4. 2017/18 Annual report: International work

*Antony Clark, Assistant Director, Performance Audit and Best Value, joined the meeting.*

Antony Clark introduced the Annual report on International work, a copy of which had been previously circulated.

Antony invited Management Team to note the high level of activity reported coupled with the shift of emphasis to focus on what we can learn from audit work in other countries and how this can be incorporated into our own work.

Management Team welcomed the report and subject to minor amendment, approved its submission to the Audit Scotland Board.

**Action: Diane McGiffen to feed back comments to Antony Clark outwith the meeting. (May 2018)**

*Antony Clark left the meeting.*

### 5. Code of data matching practice

*Angela Canning, Assistant Director, Performance Audit and Best Value, Anne Cairns, Manager, Professional Support, and Alex Devlin, Corporate Governance Manager, joined the meeting.*

Angela Canning introduced the Code of data matching practice report, a copy of which had been previously circulated, and invited Management Team to comment, prior to issue for wider consultation.

Management Team welcomed the report and following discussion, agreed that, subject to amendment the draft Code could be issued for public consultation.

*Alex Devlin and Anne Cairns left the meeting.*

### 6. 2017/18 Annual report on correspondence

*Catherine Young, Audit and Correspondence Manager, and Dorothy Lavery, Auditor, joined the meeting.*

Angela Canning introduced the 2017/18 Annual report on correspondence, a copy of which had been previously circulated.

Angela summarised the highlights from the report and invited comments from Management Team.

Management Team welcomed the report and noted the increase in volume of whistleblowing disclosures and increased engagement with firms.

Following discussion, it was agreed that the title of the report would be revised to reflect the increasing number of whistleblowing disclosures.

Subject to amendment, Management Team approved the report for submission to the Audit Scotland Audit Committee.

**Action:** Fraser McKinlay to feed back comments to the Correspondence team outwith the meeting. (May 2018)

Caroline Gardner to meet with Catherine Young in a few months time. (September 2018)

*Angela Canning, Dorothy Lavery and Catherine Young left the meeting.*

## 7. 2017/18 Annual assurance reporting:

- FOI and EIR
- Complaints

*Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin summarised the highlights from the 2017/18 annual report on complaints and the 2017/18 annual report on freedom of information, copies of which had been previously circulated.

A discussion followed on how we will deal with complaints about audit quality either within our complaints handling process or develop an alternative process outside complaints and a report would be considered by Management Team at a forthcoming meeting.

Management Team welcomed the reports.

**Action:** Alex Devlin and Elaine Boyd to report on the process of complaints about audit quality at a future meeting of Management Team. (TBC)

*Alex Devlin left the meeting.*

## 8. 2017/18 Annual report: Audit Quality

*Elaine Boyd, Assistant Director, Owen Smith, Senior Manager, John Gilchrist, Manager, Audit Appointments and Assurance, and Fiona Daley, Consultant, joined the meeting.*

Elaine Boyd introduced the annual report on Audit Quality, a copy of which had been previously circulated.

Elaine summarised the highlights from the report and invited comments from Management Team.

Following discussion, Management Team suggested areas for refinement.

Management Team welcomed the discussion.

**Action:** Fiona Kordiak and Fraser McKinlay to feed back refinements to Elaine Boyd prior to Diane McGiffen's approval of the final version of the report. (May 2018)

*Elaine Boyd, Owen Smith, John Gilchrist and Fiona Daley left the meeting.*

## **9. Review of risk register**

*Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the review of risk register report, a copy of which had been previously circulated.

Management Team noted that the risk around the impact of EU withdrawal continues to evolve in a complex and rapidly changing environment and was reassured to note the current arrangements to actively monitor developments as they arise.

Following discussion on the failure of quality and the failure of capacity, Management Team suggested refinements which would be incorporated into the register prior to submission to the Audit Committee on 23 May 2018.

Management Team welcomed the discussion.

## **10. Review of Risk management framework 2018**

Martin Walker introduced the review of risk management framework, a copy of which had been previously distributed.

Management Team welcomed the report and a discussion followed on risk escalation.

Following discussion, Management Team approved the revisions to the risk management framework following its last review by the Audit Committee in June 2016.

Management Team approved the submission of the report to the Audit Committee at its meeting on 23 May 2018.

## **11. Risk interrogation: Failure to assess the impact of and response to EU withdrawal**

*Mark Roberts, Senior Manager, and Kirstin Scott, Auditor, joined the meeting.*

Mark Roberts introduced the risk interrogation report: failure to assess the impact of and response to EU withdrawal, a copy of which had been previously distributed.

Management Team welcomed the report and noted the additional measures in place to mitigate risk in this area. In addition, Management Team noted that three sector meetings would take place in May 2018 and feedback from the firms would be noted in this respect.

Subject to minor amendment, Management Team approved the report for submission to the Audit Committee on 23 May 2018.

*Mark Roberts and Kirstin Scott left the meeting.*

## **12. Annual Internal audit plan 2018/19**

Martin Walker introduced the annual internal audit plan 2018/19, authored by BDO, which had previously been circulated.

Martin summarised the key highlights from the report and following discussion it was agreed to amend the phasing of the plan (appendix III).

Management Team welcomed the discussion.

**Action: Fraser McKinlay to sponsor the review of Impact. Martin Walker to liaise with BDO in respect of the phasing of the plan. (May 2018)**

**13. Draft agenda: Management Team 8 May 2018**

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled to take place on 8 May 2018.

**14. Any other business**

A brief discussion took place on the recent pay award.

**15. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 8 May 2018.



## Management Team

Tuesday 8 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber(Minutes)

### Apologies:

None

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Martin Walker, Assistant Director, Corporate Performance and Risk  
David Blattman, HR & OD Manager

### 1. Minutes of meeting: 1 May 2018

The draft minutes dated 1 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Q4 Financial performance report

*Stuart Dennis, Corporate Finance Manager, and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Stuart Dennis introduced the Q4 Financial performance report, a copy of which had been previously circulated.

Stuart invited Management Team to note the net operating underspend of £643k.

Management Team discussed the various elements making up the underspend namely in-house fee income, increased EAFA audit work and ISA19. Management Team recognised the ongoing work to better forecast shifts in fees, the adoption of a simpler formula for calculating work in progress and noted the dashboard and efficiency savings schedule.

Turning to the variances between budget and spend in a small number of areas, Management Team agreed these should be explained more fully in the report to the Audit Committee and Board.

Following discussion, Management Team welcomed the clarity of the report and agreed to share any additional comments with Stuart after the meeting.

### 3. Q4 Corporate performance report

Martin Walker introduced the Q4 Corporate performance report, a copy of which had been previously circulated.

Martin invited Management Team to consider and comment on the report prior to its consideration by the Board in June 2018.

Management Team noted the strong performance reported in the quarter and the overall summary of performance through the year together with forthcoming areas for development.

Following discussion, Management Team agreed a number of amendments to strengthen the actions around quality monitoring and inclusion of forthcoming developments including the recruitment campaign to build capacity and skills to deliver work.

Management Team welcomed the report.

#### 4. **Q4 Becoming world class improvement programme report**

Martin Walker introduced the Q4 Becoming world class improvement programme report, which had been previously circulated.

Martin invited Management Team to note the strong performance and developments reported across New financial powers and social security, quality monitoring and reporting, Workforce planning and learning and development, career development gateways (CDG) and the development of the performance management framework.

Management Team welcomed the report and expressed their thanks to colleagues and teams involved in supporting and delivering CDG.

During detailed discussion, Management Team reflected on the number of projects completed as part of the improvement programme and agreed the report should say more about the transitional work involved. In addition, Management Team would welcome a Leadership Group development discussion on the improvement programme agenda 2018-21.

Management Team welcomed the report and subject to minor amendment, approved its submission to the Audit Scotland Board.

**Action: Diane McGiffen to schedule a Leadership Group development discussion for future improvement programme projects. (June 2018)**

*Stuart Dennis, Corporate Finance Manager, and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

#### 5. **Audit Quality: Improvement actions**

Fiona Kordiak and Fraser McKinlay introduced the Audit Quality: Improvement actions report, which had been previously circulated.

Fiona invited Management Team to note the report scheduled to be considered by the Audit Committee on 23 May 2018 which set out the improvement actions arising after consideration of the ICAS and the cold reviews.

Management Team discussed the findings and welcomed the proposed areas of improvement, agreeing it would be helpful to include additional information around resourcing, culture and training in the report prior to consideration by the Audit Committee.

#### 6. **Talent management and succession planning**

*David Blattman, HR & OD Manager, joined the meeting.*

David Blattman introduced the Talent management and succession planning report, a copy of which had been previously circulated.

David invited Management Team to note the enhanced reporting in consideration of the internal audit recommendations and welcomed any comments prior to its submission to the Remuneration and Human Resources Committee meeting on 23 May 2018.

During detailed discussion, Management Team reflected on the early success of CDG and considered any trends in the resignations reported in the past year.

Following discussion, Management Team welcomed the report and agreed it should be amended to include reference to the significant recruitment campaign.

## **7. 2018 Pay award outturn**

David Blattman introduced the 2018 Pay outturn report, which had been previously circulated and would be considered by Remco at its meeting on 23 May 2018.

Management Team noted the report and David advised the report which would be adjusted following receipt of the result of the PCS pay award ballot expected on 9 May 2018.

Management Team welcomed the report.

## **8. Draft agenda: Management Team 15 May 2018**

Subject to minor amendment, Management Team approved the draft agenda for the meeting scheduled to take place on 15 May 2018.

## **9. Any other business**

Caroline Gardner provided an update on Board membership and succession planning.

Fraser McKinlay advised of potential secondment opportunities arising in light of a competitive recruitment market for auditors. Management Team reflected on the technical aspects of our existing programme and agreed engagement should also feature as part of the training.

## **10. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 15 May 2018.

## Management Team

Tuesday 15 May 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

David Blattman, HR & OD Manager  
Alex Devlin, Corporate Governance Manager

### 1. Minutes of meeting: 8 May 2018

The draft minutes dated 8 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. 2017/18 Annual report: Health, safety and wellbeing

*David Blattman, HR & OD Manager, joined the meeting.*

David Blattman introduced the 2017/18 annual report on Healthy, safety and wellbeing, which had been previously circulated.

David invited Management Team to note the overall positive report and reflect on the two reportable incidents, both of which occurred within the main communal areas of West Port and Nelson Mandela Place. Management Team acknowledged Colin Pentland's engagement with the respective landlord's management regarding these incidents.

During discussion, Management Team reflected on the low levels of sickness recorded and Diane McGiffen advised that despite low levels of stress related absence the Health, Safety and Wellbeing Committee continued to consider options to support mental health and wellbeing. Management Team also noted HR will consider how to reduce the level of annual leave being carried forward.

Following discussion, Management Team welcomed the report.

### 3. 2017/18 Annual report: Diversity and equality

David Blattman introduced the 2017/18 annual report on Diversity and equality, a copy of which had been previously circulated.

David invited Management Team to consider this interim annual report which had been prepared and welcomed any comments prior to its submission to the Remuneration and Human Resources Committee (Remco) meeting on 23 May 2018 and subsequent publication.

Management Team discussed the benefits of this interim reporting which provided a useful update on equalities in our workforce and noted that the next publication will also include information relating to the Career Development Gateways.

Management Team welcomed the report and approved its submission to Remco.

#### **4. Audit Scotland's Gender pay gap report**

David Blattman introduced the report on Audit Scotland's Gender pay gap, which had been previously circulated.

David invited Management Team to note the report to be considered by Remco at its meeting on 23 May 2018.

Management Team discussed the report and welcomed the assurance that Audit Scotland compares well with other employers and recognised the redesigned pay and reward strategy had helped to reduce the gender pay gap over time.

Following discussion, Management Team noted the annual reporting now required and agreed they would like to see more data on the trainee programme included in the report before its submission to Remco.

Management welcomed the report.

*David Blattman left the meeting.*

#### **5. Internal audit recommendations**

*Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the Internal audit recommendations report, which had been previously circulated and would be considered by the Audit Committee at its meeting on 23 May 2018.

Alex invited Management Team to note progress on the implementation of outstanding audit recommendations.

Management Team considered the report in detail, noting a number of recommendations had been completed which were currently reported as partially complete and in some areas had developed well beyond the recommendation. Management Team agreed expansion of the Management responses was required and discussed with BDO in order to agree the closure of completed items. In addition, Management Team agreed key milestones around MKI should be included.

Management Team welcomed the report.

#### **6. Report and certificates of assurance**

*Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the Report and certificates of assurance, which had been previously circulated and would be considered by the Audit Committee and Board on 6 June 2018.

Management Team welcomed the assurance provided, noting the ongoing monitoring arrangements and agreed submission of the report to the Audit Committee and Board.

Management Team welcomed the report.

#### **7. Management Team terms of reference**

Diane McGiffen introduced Management Team terms of reference, a copy of which had been previously circulated.

During detailed discussion, Management Team agreed a clearer statement of the purpose of Management Team would be welcomed together with some streamlining of the document.

Following discussion, Management Team welcomed the report.

#### **8. Draft agenda: Management Team 22 May 2018**

Management Team noted the draft agenda for 22 May 2018 and agreed to deal with the two items by correspondence. The next formal meeting of Management Team would take place on Tuesday 5 June 2018.

#### **9. Draft agenda: Audit Committee 6 June 2018**

Management Team noted the draft agenda for the meeting of the Audit Committee on 6 June 2018.

#### **10. Draft agenda: Board 6 June 2018**

Management Team noted the draft agenda for the meeting of the Board on 6 June 2018.

#### **11. Any other business**

Management Team congratulated Fiona Kordiak on her recent appointment as Senior Vice Chair of CIPFA.

Diane McGiffen provided a verbal update on the outcome of the 2018 pay award.

Fiona Kordiak briefed Management Team following the Audit Services Group Management Team's away day on Monday 14 May 2018.

#### **12. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 5 June 2018.

## Management Team

Tuesday 5 June 2018, 11.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

None

### In attendance:

Antony Clark, Assistant Director, Performance Audit and Best Value  
Kirsty Ridd, Senior Auditor, Performance Audit and Best Value  
Dharshi Santhakumaran, Audit Manager, Performance Audit and Best Value

### 1. Minutes of meeting: 15 May 2018

The draft minutes dated 15 May 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. Impact reporting

*Antony Clark, Assistant Director, Kirsty Ridd, Senior Auditor and Dharshi Santhakumaran, Audit Manager, joined the meeting.*

Antony Clark introduced the impact reports in respect of Modern Apprenticeships, Community Planning (an update) and Maintaining Scotland's Roads (a follow-up report), which had been previously circulated.

Antony invited Management Team to note that overall the reports had an impact across all four of Audit Scotland's audit dimensions, whilst contributing to national developments in their respective policy areas.

Management Team noted good levels of progress in implementing the recommendations contained in two reports and welcomed the proposed ongoing programme development activity linked to the three policy areas.

Following a discussion on how to publicise the report, Management Team agreed Twitter would be the best tool to use on this occasion.

Management Team welcomed the report.

*Antony Clark, Kirsty Ridd and Dharshi Santhakumaran left the meeting.*

### 3. Update from Remco and Audit Committee meetings 23 May 2018

A discussion followed on the outcomes of the Remco and Audit Committee meetings. Management Team noted that both meetings had been straightforward with useful discussion on the items considered.

#### **4. Draft agenda: Management Team 12 June 2018**

In the absence of Management Team meetings until 17 July 2018, it was agreed that colleagues would use take the opportunity to review activities covering the next four weeks.

It was also agreed that a discussion would take place on the approach to the launch of the Corporate Plan.

It was agreed the draft agenda would be amended accordingly.

#### **5. Any other business**

Management Team discussed a timeline of key events and milestone to 2023. It was agreed that Martin Walker would develop the timeline further to incorporate a wider range of milestones including project milestones for the next Code of Audit Practice and audit procurement round.

A discussion followed on the structure of future Management Team agendas and colleagues noted that this would be further discussed at next week's meeting.

#### **6. Date of next meeting**

The next meeting of Management Team would take place on Tuesday 12 June 2018.



## Management Team

Tuesday 12 June 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

None

### In attendance:

David Blattman, HR & OD Manager  
Joanna Mansell, Communications Officer  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Alex Devlin, Corporate Governance Manager

### 1. Minutes of meeting: 5 June 2018

The draft minutes dated 5 June 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. East Renfrewshire BVAR review

Diane McGiffen introduced the East Renfrewshire BVAR review report, a copy of which had been previously circulated.

Diane advised Management Team of the Accounts Commission consideration of the report at its meeting on 7 June 2018 and the conclusions they reached.

Management Team welcomed the report, acknowledging there were no calls for action before reflecting on the circumstances underlying the findings by the independent assurance team. Fraser McKinlay confirmed that the Secretary to the Accounts Commission was writing to the Council.

Management Team reflected on the learnings from the review which would help inform resource planning and performance and feed into audit quality complaints process, an outline of which would be considered by Management Team in August.

**Action: The Appointments and Assurance team and the Corporate Governance Manager to review and outline the complaints process for audit quality. (August 2018)**

### 3. Leadership development update

*David Blattman, HR & OD Manager, joined the meeting.*

Fraser McKinlay introduced the Leadership development agenda report, which had been previously circulated.

Fraser invited Management Team to consider the future purpose of the Leadership Group alongside the proposed development agenda.

During detailed discussion, Management Team discussed the main attributes around the role of leadership while helping Audit Scotland in responding flexibly to deliver public audit with professional excellence.

Turning to the MBTI profiles, Management Team proposed that wash up discussions take place in smaller groups which David advised HR & OD would organise and agreed the group meetings would replace the next scheduled meeting to provide sufficient time between now and the next meeting scheduled in August.

Management Team welcomed the forthcoming programme of speakers and David would liaise with Gillian Woolman in advance of the August meeting at which Michael Moore was scheduled to speak.

Management Team considered the 360 feedback which would help to inform the longer term development of the group. Management Team recognised the importance of framing the 360 feedback questions in context and agreed that the timing of this element should take place later in the year. David agreed to liaise with the consultant to build the feedback questions on Audit Scotland's strategic objectives.

Management Team acknowledged the importance of providing sufficient opportunity for leadership group colleagues to discuss what makes the role and purpose of leadership real, both individually, professionally and collectively.

Following discussion, Fraser advised he would prepare a communication and welcomed any comments prior to sharing with Leadership Group colleagues.

Management Team welcomed the discussion.

**Actions: David Blattman to provide strategic context to frame the 360 feedback questions. (August 2018)**

**Fraser McKinlay to prepare a communication for Leadership Group. (June 2018)**

*David Blattman left the meeting.*

#### **4. Internal communications planner**

*Martin Walker, Assistant Director, Corporate Performance and Risk and Joanna Mansell, Communications Officer, joined the meeting.*

Joanna Mansell introduced the Internal communications planner report, a copy of which had been previously circulated and invited Management Team to discuss the development of a more focussed and strategic approach to our internal communications.

Management Team welcomed the opportunity to consider the proposed communications alongside a discussion on our corporate priorities at item 5.

Following discussion, Joanna advised that a revised Internal Communications strategy would come to Management Team in August 2018.

**Action: A revised Internal Communications Strategy to be reported to Management Team. (August 2018)**

#### **5. Corporate priorities discussion**

Martin Walker invited Management Team to consider and discuss the key messages from the new Corporate Plan in order to consolidate and build on Audit Scotland's corporate priorities.

To aid discussion, Martin tabled a strategy map which captured some of the key areas together with an extract from the annual report which provided a focus on the coming year.

Management Team reflected on the achievements over the past three years as part of the overall Becoming World Class improvement programme, recognising the continued focus and development on the role of professional leadership, the need to embed audit quality and providing independent assurance, embedding new teams and new ways of working, the learning and development agenda and building resilience, capacity and flexibility in our people.

Management Team welcomed the proposal to schedule regular themed discussions to focus on key areas including Brexit, New financial powers and constitutional change, performance and people, budget and resource planning, Making a difference and impact, Engagement and communications and quality and assurance.

Diane invited Management Team to note the reforming of the People Focus Group to take forward resource planning, Career Development Gateways with the intention to report quarterly on activity and liaison with other groups including PDGG, Health, Safety and Wellbeing and Diversity and Equality

Fiona Kordiak advised of developments to bring more visibility on New financial powers and constitutional change with the creation of an ishare page and regular reporting.

Management Team welcomed the discussion and recognising the increasing crossover of work considered a review of our existing forums and professional leads would be helpful.

Martin advised a report on proposed themed discussions and dates would come to Management Team in the Autumn.

**Action: A schedule of themed strategic discussions to be reported revised Internal Communications Strategy to be reported to Management Team. (August 2018)**

*Joanna Mansell left the meeting.*

## **6. Modern Slavery and Human Trafficking statement**

*Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the report on Modern slavery and Human trafficking statement, a copy of which had been previously circulated.

Alex invited Management Team to consider the publication of a voluntary statement in conjunction with future annual report and accounts.

Management Team considered the draft statement and agreed in principle to Audit Scotland publishing a voluntary statement alongside future annual report and accounts following a risk assessment of contractors.

**Action: A risk assessment of contractors to be undertaken and findings reported back to Management Team. (Autumn 2018)**

*Martin Walker and Alex Devlin left the meeting.*

## **7. Draft agenda: Management Team 17 July 2018**

Management Team noted the proposed agenda for the meeting on 17 July 2018 and agreed the inclusion of additional matters if required.

## **8. Any other business**

Diane McGiffen briefed Management Team on the arrangements for the next meeting with the Scottish Commission for Public Audit on 26 June 2018 when they would consider Audit Scotland's Annual report and accounts.

## **9. Check in – activities for next 4 weeks**

Management Team discussed key priorities over the forthcoming weeks and operational arrangements in place to cover issues arising during the summer holiday period.

## **10. Date of next meeting: 17 July 2018**

The next meeting of Management Team would take place on Tuesday 17 July 2018.

## Management Team

Tuesday 17 July 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

James Gillies, Communications Manager  
Ronnie Nicol, Audit Director, Performance Audit and Best Value  
Antony Clark, Audit Director, Performance Audit and Best Value  
Mark Taylor, Audit Director, Audit Services  
Susan Fisher, HR Assistant Manager  
Elizabeth Gorrie, Communications Officer

### 1. Minutes of meeting: 12 June 2018

The draft minutes dated 12 June 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

### 2. Communications Digest

*James Gillies, Communications Manager and Ronnie Nicol, Audit Director, joined the meeting*

James Gillies introduced the Communications Digest, a copy of which had been previously circulated.

James summarised the key highlights from the report and invited Management Team to note the high level of activity reported.

Management Team discussed the range of coverage received as well as the recent changes within the Scottish Government cabinet. A short discussion then followed surrounding S22 reports.

Management Team welcomed the report.

### 3. Hotlist of emerging audit risks

Ronnie Nicol introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Management Team welcomed the report and again expressed appreciation to all Audit Directors for their input.

Following discussion, it was agreed that the Scottish Police Authority / Police Scotland item would **not** be moved to the Watchlist given the significance and importance of the issues.

A short discussion took place on the industrial action taking place in East Dunbartonshire Council. It was subsequently agreed to move this item to the Watchlist.

During detailed discussion relating to pensions, Management Team expressed its interest in the actuarial advice received by local authorities and suggested that the Pensions Fund Group give consideration to matters and a briefing paper would be welcome in this respect.

Following discussion regarding the end of the Trams inquiry, the impending report and FOI activity, Management Team agreed that this should be added to the next Hotlist.

Management Team welcomed the discussion.

*Ronnie Nicol and James Gillies left the meeting.*

#### **4. Confidential Item**

**This item will be considered on Tuesday 7 August 2018.**

#### **5. Feedback on recent recruitment exercise**

*Antony Clark, Audit Director, Mark Taylor, Audit Director, Susan Fisher, HR Assistant Manager and Elizabeth Gorrie, Communications Officer, joined the meeting.*

Antony Clark introduced the Feedback on recent corporate recruitment exercise report, a copy of which had been previously distributed.

Management Team welcomed the report, acknowledging that this had been the organisation's biggest recruitment campaign for many years. The campaign highlighted the need to bring in a wide range of skills over various areas which met with mixed success and this would provide useful learning points for future campaigns.

Management Team noted that following a fortnight of intensive interviews and CDG panels, promotions or new positions were offered to 19 people.

During detailed discussion Management Team noted that the cross-organisational group formed to oversee the joint recruitment exercise had received very positive feedback from candidates on the slickness of the recruitment process. All 4 members present at today's meeting agreed that the exercise had been very positive, it had worked well and the sense of pride and achievement was welcomed by Management Team.

A discussion followed on how often a similar recruitment campaign should be undertaken. To inform this decision, consideration would be given to the qualifying date of trainees and the outcome of CDG applications.

Management Team thanked everyone involved in this very successful recruitment exercise.

*Antony Clark, Mark Taylor, Susan Fisher and Elizabeth Gorrie left the meeting.*

#### **6. Audit Partners meeting agenda - discussion**

Following discussion, it was agreed that the undernoted items would be considered at the forthcoming Audit Partners meeting:

- Brexit – roundtable check in (subject to confirmation with Mark Roberts)
- Public trust in audit
- Pensions actuarial advice
- Planning Guidance

- New Parliamentary Budget process.

**Action:** Fiona Kordiak to liaise with Mark Roberts re Brexit roundtable discussion.

## **7. Draft agenda: Management Team 31 July 2018**

Management Team noted the proposed agenda for the meeting on 31 July 2018 and agreed the inclusion of additional matters if required.

## **8. Draft agenda: Accounts Commission 9 August 2018**

Management Team approved the draft agenda for the meeting scheduled to take place on 9 August 2018.

## **9. Accounts Commission 2019 meeting schedule**

Following discussion, it was agreed that Fraser McKinlay would liaise with Paul Reilly regarding the April and September 2019 meeting dates.

**Action:** Fraser McKinlay to liaise with Paul Reilly regarding the Accounts Commission 2019 meeting schedule.

## **10. Any other business**

Following discussion by Management Team it was agreed that Martin Walker would be added to the list of designated signatories for payment runs and comptroller Scottish Consolidated Fund drawdowns.

## **11. Date of next meeting: 31 July 2018**

The next meeting of Management Team would take place on Tuesday 31 July 2018.

## Management Team

Tuesday 31 July 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Caroline Gardner  
Diane McGiffen

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Martin Walker, Audit Director, Corporate Performance and Risk  
Ian Metcalfe, Corporate Performance Officer

**As the meeting was inquorate, Management Team would ratify any items requiring formal approval by email.**

#### 1. Minutes of meeting: 17 July 2018

The draft minutes dated 17 July 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

#### 2. Q1 Financial performance report

*Stuart Dennis, Corporate Finance Manager, Martin Walker, Assistant Director, Corporate Performance and Risk, and Ian Metcalfe, Corporate Performance Officer, joined the meeting.*

Stuart Dennis introduced the Q1 Financial Performance report, a copy of which had been previously circulated.

Stuart summarised the highlights and a discussion followed on the overall financial performance reported.

Management Team welcomed a discussion around the budget for New financial powers and noted that the Corporate Finance Manager continued to meet with Mark Taylor for clarification on how staff numbers and budgeted establishment reconcile with our budgeted establishment. Management Team noted that the Finance team have regular quarterly meetings with all business groups.

Following discussion, Stuart advised he would bring a report to Management Team on in relation to the allocation of the management contingency budget.

Management Team welcomed the report.

**Action: Stuart Dennis to report on the allocation of the management contingency budget. (August 2018)**

*Stuart Dennis left the meeting.*



### 3. Q1 Corporate performance report

Martin Walker introduced the Q1 Corporate Performance report, which had been previously circulated.

Martin summarised the highlights from the report and a discussion followed on indicators under the Being a Better Organisation banner.

Following a short discussion on Housing Benefit audit reports it was agreed that the audit team would be asked to produce an update report on the current position and future plans. This would be considered as part of the scheduled summit discussion scheduled for 21 August 2018.

Subject to minor amendment, Management Team approved the report for consideration by the Board on 22 August 2018.

### 4. Q1 Becoming world class improvement programme report

Martin Walker introduced the Q1 Becoming World Class Improvement Programme update report, a copy of which had been previously circulated.

Management Team welcomed the good progress made to date on the programme and noted that it had been updated to reflect the strategic objectives in the 2018-21 Corporate Plan.

Following discussion, it was agreed that the Audit Director, Corporate Performance and Risk would provide an update report to Management Team in respect of the Office 365 planned rollout.

Management Team welcomed the report.

**Action: Martin Walker to provide Management Team with an update report on Office 365.**

### 5. PSRA Statements

Ian Metcalfe introduced the Public Services Reform (Scotland) Act – Draft statement on exercise of public functions report, a copy of which had been previously distributed.

Management Team welcomed the opportunity to comment on the draft statements on efficiency, effectiveness and economy and sustainable economic growth, whilst noting the statements had been prepared in accordance with the Scottish Governments guidance document.

Following discussion it was agreed that the statements would be revised and emailed to Management Team for approval for publication on Audit Scotland's website.

**Action: Management Team to comment on the revised statements by email.**

*Martin Walker and Ian Metcalfe left the meeting.*

### 6. Draft agenda: Management Team 7 August 2018

Management Team noted the proposed agenda for the meeting on 7 August 2018, subject to minor amendment, and agreed the inclusion of additional matters if required.

### 7. Any other business

There was no further business.

### 8. Date of next meeting: 7 August 2018

The next meeting of Management Team would take place on Tuesday 7 August 2018.

# Minutes

## Management Team

Tuesday 14 August 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fiona Kordiak  
Fraser McKinlay  
Lorna McEwan (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Martin Walker, Audit Director, Corporate Performance and Risk  
Sharon Kewley, Business Support Services Manager  
David Robertson, Digital Services Manager  
David Blattman, Human Resources and Organisational Development Manager  
Mark Taylor, Audit Director, Audit Services Group

#### 1. Minutes of meeting: 7 August 2018

The draft minutes dated 7 August 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

#### 2. Financial update and future planning

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Financial update and future planning report, which had been previously circulated.

Stuart summarised the key highlights in the four months to 31 July 2018 and Management Team noted that Audit Scotland's Net Operating Expenditure was £1,737k which was £91k less than budget.

A discussion followed in respect of audit resources and Stuart advised he would bring a paper to Management Team outlining the options for capturing and presenting New Financial Powers funding and costs.

Management Team reflected on income and billing for the firms and how the process may benefit from integration into the quarterly reporting cycle. Stuart advised he would bring a paper to Management Team to provide clarity and visibility of the current billing process.

Following detailed discussion on financial projections, Stuart advised he would bring a scenario informed paper to Management Team with representatives from Leadership Group in attendance.

**Action: Stuart Dennis to report to Management Team with three papers – options for presenting funding for New Financial Powers; clarification of billing process for firms; scenario informed financial projections.**

*Stuart Dennis left the meeting.*

### **3. Business Support Services strategic overview**

*Martin Walker, Audit Director, Corporate Performance and Risk and Sharon Kewley, Business Support Manager, joined the meeting.*

Sharon Kewley introduced the Business Support Services strategic overview report, a copy of which had been previously circulated.

Sharon summarised the key highlights from the report and a discussion followed on service provision. Management Team noted the increased support needs which are stretching the Audit and Business Assistant (ABA) team. Management Team reflected on the success of the introduction of a Modern Apprentice in the Client and Services Team and agreed that a Modern Apprentice be appointed in the ABA team in order to build capacity and reinforce Audit Scotland's continued commitment to support young people in the workplace.

Management Team welcomed the report.

*Sharon Kewley left the meeting.*

### **4. Confidential item**

### **5. Confidential item**

### **6. Draft agenda: Management Team 21 August 2018**

Management Team noted the proposed agenda for the meeting on 21 August 2018 and agreed the inclusion of additional matters if required.

### **7. Any other business**

There was no further business.

### **8. Date of next meeting: 21 August 2018**

The next meeting of Management Team would take place on Tuesday 21 August 2018.

# Minutes

## Management Team

Tuesday 21 August 2018, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

### In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk  
Mark Taylor, Audit Director, Audit Services Group  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
Mark Roberts, Senior Audit Manager, Performance Audit and Best Value  
Kirstin Scott, Auditor, Performance Audit and Best Value  
James Gillies, Communications Manager  
David Blattman, HR & OD Manager  
Stuart Dennis, Finance Manager  
Gemma Diamond, Senior Audit Manager  
Michael Oliphant, Senior Audit Manager  
Martin Walker, Assistant Director, Corporate Performance and Risk

## 1. Minutes of meeting: 14 August 2018

The draft minutes dated 14 August 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. Review of risk register

*Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Martin introduced the Review of risk register report, which had been previously circulated.

Martin highlighted changes to two risk assessments, namely an increase in relation to the EU withdrawal risk due to the current stage of negotiations and a reduction in the overall risk for Quality based on the implementation of the Audit Quality Framework and the assurance provided by the annual assurance report.

Management Team discussed the proposed changes and agreed a further review of the position would be useful prior to the next review of the register to return to the target scores and risk appetite of the EU withdrawal risk following the Summit discussion.

During detailed discussion, Management Team considered each risk in turn, agreeing changes to risk owners, net risk and targets and discussed the anticipated closure of risk 11 as this becomes embedded in the culture across the organisation.

Management Team considered the Summary of risks at Appendix 1 and agreed the highest risks for the organisation related to the impact of EU withdrawal, cyber resilience and security and capacity.

**Action: Martin Walker to discuss Stuart Dennis to report to Management Team with three papers – options for presenting funding for New Financial Powers; clarification of billing process for firms; scenario informed financial projections.**

### **3. Risk interrogation: Capacity and one organisation working**

Martin Walker, Assistant Director, Corporate Performance and Risk, introduced the Risk interrogation on Capacity and one organisation working, a copy of which had been previously circulated.

Management Team agreed this report would be considered as part of the Summit discussion on the Impact of Brexit and update on New financial powers.

Following discussion, Management Team agreed a number of changes to reflect the impact of the external uncertainty.

### **4. Draft agenda: Audit Committee 19 September 2018**

Management Team noted the proposed agenda for the meeting of the Audit Committee on 19 September 2018.

### **5. Draft agenda: Management Team 4 September 2018**

Management Team noted the proposed agenda for the meeting on 4 September 2018 and agreed the inclusion of additional matters as required.

### **6. Any other business**

There was no further business.

### **7. Date of next meeting: 4 September 2018**

The next meeting of Management Team would take place on Tuesday 4 September 2018.

### **8. Summit discussion**

#### **Impact of Brexit and update on New financial powers**

*Mark Taylor, Rebecca Seidel, Mark Roberts, Kirstin Scott, James Gillies, Gemma Diamond, Michael Oliphant, David Blattman and Stuart Dennis joined the meeting.*

Rebecca Seidel introduced the presentation to provide an update on developments since the Summit discussion in January 2018.

Rebecca provided an update on internal and external engagement which included a roundtable discussion, blogs and social media activity, increased network of contacts externally and across the organisation. Future outputs and activity included a briefing to the Auditor General and Accounts Commission, input to parliamentary pre budget scrutiny, planning for Social Security work, workforce planning and budget proposals.

Rebecca highlighted the five key areas for discussion EU withdrawal, Social Security, public financial management, budget and resource and governance.

Mark Roberts provided an overview of the anticipated timeline for a deal or no deal EU withdrawal. Mark invited Management Team to note the activity which has already taken place including engagement with Scottish Government, SPICe, other external groups and audit

agencies and internally with superteams from Audit Services with forthcoming engagement with Performance Audit and Best Value, preparation of the briefing, updating audit planning guidance and continuing external engagement.

Mark advised Management Team of the key risks of a deal or no deal Brexit, the likely pace of change and the additional resource required in order to respond. Management Team discussed the implications of a disorderly Brexit and the awareness of audited bodies and Audit Committees on the potential impact on public finances and requirements for future audit reporting and overall preparedness.

Management Team considered the public interest around EU withdrawal, the independent voice of Audit Scotland and agreed the focus of the paper to be produced in November should be tailored around key areas of focus for organisations together with case studies and analysis where available.

In terms of resources, Management Team recognised the monitoring required and potential impact on capacity and agreed a further discussion was required to consider options together with longer term budget planning.

Gemma Diamond provided an overview of work underway in relation to Social Security and the need to respond at pace to the changes.

During detailed discussion, Management Team agreed assurance was required from the NAO on the accuracy of information in relation to the carer's allowance which will devolve to Scotland in the first year. Management Team also discussed the various strands of work which will impact our audit work when full executive competence transfers to Scotland in 2020.

Following discussion, Management Team agreed a number of actions arising including a report on short term resource requirements and longer term resource and scenario planning, updating the audit planning guidance with key inputs, regular communications on key developments by way of monthly blogs and the creation of an ehub.

Management Team welcomed the discussion and thanked everyone for their contribution.

# Minutes

## Management Team

Tuesday 4 September 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Fraser McKinlay

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Mark Taylor, Audit Director, Audit Services  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
James Gillies, Communications Manager  
Gordon Smail, Audit Director, Audit Services  
Mark Macpherson, Senior Audit Manager, Performance Audit and Best Value  
Helen Russell, Senior Audit Manager, Audit Services  
Ursula Lodge, Senior Audit Manager, Audit Services  
Elaine Boyd, Associate Director, Audit Quality and Assurance  
Fiona Daley, Consultant  
Owen Smith Senior Manager, Audit Quality and Assurance  
John Gilchrist, Manager, Audit Quality and Assurance  
Gillian Woolman, Audit Director, Audit Services  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Joanna Mansell, Communications Adviser  
Ian Metcalfe, Corporate Governance Officer

### 1. Minutes of meeting: 21 August 2018

The draft minutes dated 21 August 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

### 2. Confidential item

This item is subject to a separate confidential minute.

### 3. 2019/20 Budget

*Stuart Dennis, Corporate Finance Manager, Mark Taylor, Audit Director and Rebecca Seidel, Audit Manager, joined the meeting.*

Stuart Dennis introduced the 2019/20 Budget report, a copy of which had been previously circulated.

Stuart invited Management Team to consider the options set out and agree the preferred route for presenting to the Board at its meeting on 28 September 2018.

During detailed discussion, Management Team considered each scenario before finally expressing a preference for option 5. Stuart agreed to further model this scenario by taking into account EAFA implications and trainee recruitment. This would be considered at the next meeting of Management Team.

Following discussion, Management Team agreed the basis on which the 2019/20 Budget would be developed for presenting to the Board.

*Stuart Dennis, Mark Taylor and Rebecca Seidel left the meeting.*

#### **4. Communications digest**

*James Gillies, Communications Manager, and Gordon Smail, Audit Director, joined the meeting.*

James Gillies introduced the Communications Digest report, which had been previously circulated and invited Management Team to note the key highlights and activity reported.

Management Team noted the high volume of reports to be published during October and November - 14 in total.

Following discussion, Management Team welcomed the report.

#### **5. Hotlist of emerging audit risks**

Gordon Smail introduced the Hotlist of emerging audit risks report, a copy of which had been previously circulated.

Gordon invited Management Team to note the Revenue Scotland issue which came to light late in the preparation of the hotlist and a discussion followed on the wider implications including tax, devolved power legislation and service provision.

A discussion followed on pensions / actuaries and Management Team reflected on recent events and, more generally, the work of actuaries and the implications for consolidation and public finances more generally.

Following discussion, Management Team welcomed the update.

*James Gillies left the meeting.*

#### **6. Enterprise and skills review**

*Helen Russell, Senior Audit Manager, Mark Macpherson, Senior Manager and Ursula Lodge, Senior Audit Manager, joined the meeting.*

Gordon Smail introduced the report on Enterprise and skills review, a copy of which had been previously circulated.

Gordon invited Management Team to consider the changes in the enterprise and skills sector flowing from a strategic review by the Scottish Government and the audit response to date as well as our arrangements for coordinating activities, initial conclusions and next steps for future audit work outputs.

Management Team noted that as part of its inquiry into Scotland's Economic Performance, the Economy, Jobs and Fair Work Committee had taken evidence on the implementation of the review's recommendations and the work of the Strategic Board with an initial focus on aligning the activities of the four agencies, starting with planning cycles.

Following discussion, Management Team welcomed the report.

*Gordon Smail, Helen Russell, Mark Macpherson and Ursula Lodge left the meeting.*



## 7. Audit Quality update

*Elaine Boyd, Associate Director, Owen Smith, Senior Manager, John Gilchrist, Manager, Audit Quality and Assurance, Fiona Daley, Consultant and Ewa Henderson, Executive Assistant, joined the meeting.*

Elaine Boyd introduced the suite of reports being presented to Management Team for consideration and approval, copies of which had been previously circulated.

Management Team noted the change in team name to Audit Quality and Appointments (AQA) which had resulted from reflections on the purpose of the team and the strengthened focus on audit quality.

### 2018/19 business plan

Elaine introduced the business plan and invited Management Team to note the outcomes from 2017/18, the immediate and longer term priorities for Audit Quality and associated resources and risk assessment.

Management Team considered the report and a discussion followed on how the AQA's engagement with stakeholders might be improved. This would be further considered at the next meeting of the Audit Quality Committee.

A discussion in respect of team resourcing followed and it was agreed that an alternative to seconding would be sought.

### Draft Ethical standards policy

John Gilchrist, Manager, introduced the draft application guidance and the policy statement on non-audit services by appointed auditors and sought any comments on either policy and approval to submit these to the Board and Accounts Commission as required.

Following discussion on the policy statement on non-audit services it was agreed that this document would be shared with Pauline Weetman.

Following discussion, Management Team approved the policies, subject to agreed amendments, for submission to the Board and Accounts Commission.

### Draft Audit appointment process

John Gilchrist introduced the draft Audit appointment process report which sought to describe the arrangements put in place to ensure that AQA keeps up to date with the creation, merging and discontinuation of bodies so that audit appointments can be made by the Auditor General or Accounts Commission.

Management Team welcomed the report which provided clarity.

### Draft Audit quality escalation process

John Gilchrist, introduced the draft Audit quality escalation process and invited Management Team to note the proposed arrangements to deal with significant audit quality issues together with the reporting and governance around this process. John invited Management Team to approve the process.

Management Team welcomed the report and it was agreed that more precision was needed on where the responsibility lies for particular actions.

A discussion followed on the reporting on audit quality issues and the new KPI entitled '*number of Audit quality issues investigated (audit year)*'. Management Team noted the proposed target for cold review scores was 90% and it was agreed that the firms would be consulted on this figure. This would be further considered at the next meeting of the Audit Quality Committee.

Following discussion, Management Team approved the Audit quality escalation process, subject to agreed amendments.

### Client feedback proposals

Elaine Boyd introduced the report setting out the proposals for seeking future client feedback to strengthen the evidence base and extending the scope to provide better coverage.

Management Team were invited to consider the costs, the use of inhouse or external suppliers and consider the scope of consultation with the Auditor General, Accounts Commission and Audit Scotland Board.

Following detailed discussion, Management Team approved the proposal to externalise the process, noting the ability to provide independent analysis, professional skills and the additional capacity to undertake this work.

### Staff survey – audit quality

A discussion took place on the process of providing data for Audit Scotland's transparency report which allows benchmarking with firms' data.

Management Team noted the challenge in respect of the timing of the staff survey as it conflicted with the timing of the Best Companies survey. It was agreed that the timing of the staff survey would be reviewed going forward. It was further agreed that Professional Support would take responsibility for running the survey and analysing the results.

Management Team thanked the Audit Quality and Appointments team for the comprehensive set of reports.

*Elaine Boyd, Associate Director, Owen Smith, Senior Manager, John Gilchrist, Senior Manager, Audit Quality and Assurance, Fiona Daley, Consultant and Ewa Henderson, Executive Assistant, left the meeting.*

## 8. Equality outcomes

*Gillian Woolman, Audit Director, joined the meeting.*

Gillian Woolman introduced the annual progress report on Equality outcomes, which had been previously circulated.

Gillian invited Management Team to note the progress made against our equality outcomes during the first year, the review of action plans being undertaken across the business groups to address areas identified for improvement and consider the need to develop expertise and agree whether equalities is a mandated area for coverage in the audit appointment period.

A discussion followed on whether the balance was right between process and shifting our culture and having impact. Gillian suggested it might be beneficial for most of the organisation to go through a form of development activity to be more sensitive to equalities.

Management Team reflected on the expectations of accountable officers in Central Government and NHS who have the BV duty and the degree to which audit teams consider fulfilment of that duty under the laws and regulations of audit work.

It was agreed that Gillian would look at the Code and the draft 18/19 planning guidance to see if there was merit in an auditor making general enquiries at the planning stage to determine whether, from a risk based assessment, a body would benefit from us looking more closely at how they meet the equality duty and whether they readily evidence consideration of equalities.

Management Team welcomed the discussion.

*Gillian Woolman, Audit Director, left the meeting.*

## 9. British Sign Language plan

*Martin Walker, Assistant Director, Corporate Performance and Risk and Joanna Mansell, Communications Adviser, joined the meeting.*

Martin Walker introduced the British Sign Language plan report, a copy of which had been previously circulated.

Joanna Mansell invited Management Team to note the contents of the plan.

Following discussion, Management Team welcomed the report and approved its publication.

## 10. Internal Communications strategy

*James Gillies joined the meeting.*

Joanna Mansell introduced the Internal Communications strategy report and communications planner, which had been previously circulated.

Joanna invited Management Team to approve the internal communications strategy together with next steps and future bi-monthly reporting.

Management Team discussed the strategy and agreed that greater engagement between Communications and professional leads would be of benefit.

Following discussion, Management Team approved the strategy.

*James Gillies and Joanna Mansell left the meeting.*

## 11. Internal audit

*Ian Metcalfe, Corporate Governance Officer, joined the meeting*

### Internal audit recommendations update

Ian Metcalfe introduced the Internal audit recommendations update report, which had been previously circulated.

Ian invited Management to note the progress made on the implementation of outstanding audit recommendations and welcomed any comments.

Following discussion, Management Team welcomed the progress reported.

### Internal audit update

- Revised work plan 2018/19
- Draft Terms of reference – preparedness for New Financial Powers, Social Security and EU withdrawal

Martin Walker introduced the Internal audit update report, a copy of which had been previously circulated.

Martin invited Management Team to consider the revised internal audit plan and the draft terms of reference and welcomed any comments prior to its consideration by the Audit Committee at its meeting on 19 September 2018.

Management Team noted the changes to the internal audit plan and agreed amendments to the draft terms of reference prior to its submission to the Audit Committee.

## Internal audit progress report (to follow)

Management Team welcomed the progress made to date.

## Internal audit: Complaints management

Martin Walker introduced the Internal audit: Complaints management report, a copy of which had been previously circulated.

Martin invited Management Team to note the substantial assurance report and invited any comments on the report prior to its consideration by the Audit Committee.

Following discussion, Management Team welcomed the substantial assurance provided.

## 12. Annual review of information governance policies

Martin Walker introduced the Annual review of information governance policies, a copy of which had been circulated previously.

Martin invited Management Team to consider the minor amendments to the Freedom of Information and Records Management policies and sought their recommendation to the Board to re-approve them for a further year.

Following consideration, Management Team agreed to recommend the policies for approval by the Board.

## 13. Data incident/loss report

Martin Walker introduced the Data incident/loss report, a copy of which had been previously circulated.

Martin invited Management Team to note the incidents reported prior to the report being considered by the Audit Committee.

Following discussion, Management Team noted the incidents which have occurred.

*Martin Walker and Ian Metcalfe, left the meeting.*

## 14. Digital security update

Management Team noted the contents of the Digital security update report, which had been previously circulated.

## 15. Draft agenda: Management Team 11 September 2018

Management Team noted the draft agenda for the next meeting on 11 September 2018.

## 16. Any other business

A discussion followed on the issue of the protocols of NFI and it was agreed to write to the Cabinet Office to seek agreement in this respect.

## 17. Date of next meeting: 11 September 2018

The next meeting of Management Team would take place on Tuesday 11 September 2018.

## Management Team

Tuesday 11 September 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay (Chair)  
Caroline Gardner  
Fiona Kordiak  
Lorna McEwan (Minutes)

### Apologies:

Diane McGiffen

### In attendance:

Gordon Smail, Audit Director, Audit Services  
Antony Clark, Audit Director, Performance Audit and Best Value  
Rebecca Smallwood, Senior Auditor, Performance Audit and Best Value  
Sarah Pollock, Audit Manager, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance Manager  
Mark Taylor, Audit Director, Audit Services  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
Martin Walker, Assistant Director, Corporate Performance and Risk

### 1. Minutes of meeting: 4 September 2018

The draft minutes dated 4 September 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 2. 2018 Annual Audit planning conference 8 October 2018

*Gordon Smail, Audit Director, Antony Clark, Audit Director, Rebecca Smallwood, Audit Manager and Sarah Pollock, Audit Manager, joined the meeting*

Gordon Smail introduced the 2018 Annual Audit Planning report, a copy of which had been previously circulated.

Gordon advised Management Team of the proposed approach and format of the agenda. Following discussion, Gordon agreed to investigate the possibility of scheduling the event over half a day rather than over a full day and would revise timings and the running order of the agenda accordingly.

Management Team welcomed the report.

### 3. Proposed approach to future performance auditing quality standards

Antony Clark introduced the Proposed approach to future performance auditing quality standards report, a copy of which had been previously circulated.

Antony summarised the proposed approach, advising that the short life working group had considered three potential options for performance auditing quality standards – compliance with

selected relevant ISA standards; principles-based approach to ISAs; and compliance with INTOSAI standards.

Antony advised that the group's preferred option was a blended approach and following discussion Management Team approved this recommendation in principle, subject to consideration of a further report incorporating the recommendations for the approach to quality in Best Value.

Management Team welcomed the report.

**Action: Gordon Smail to draft a further report incorporating the recommendations for the approach to future performance auditing quality standards. (September 2018)**

*Gordon Smail, Antony Clark, Sarah Pollok and Rebecca Smallwood left the meeting.*

#### **4. Audit Quality and reputational risk**

This item would be circulated for comment and approval at a later date.

#### **5. Draft agenda: Management Team 25 September 2018**

Management Team noted the draft agenda for the next meeting on 25 September 2018.

#### **6. Draft agenda: Board 28 September 2018**

Management Team approved the draft Board agenda for the meeting of 28 September, subject to minor amendment.

#### **7. Draft agenda: Accounts Commission Committee meetings 27 September 2018**

Following discussion, Management Team noted the draft agenda for the Accounts Commission Committee meetings 27 September 2018.

A discussion followed on the process of approving the submission of quality papers for consideration and Diane McGiffen agreed she would take the lead on this.

#### **8. Budget, planning and resourcing**

##### **2018/19 Spring Budget revision**

*Stuart Dennis, Corporate Finance Manager, Mark Taylor, Audit Director, Audit Services, Rebecca Seidel, Audit Manager and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Stuart Dennis introduced the 2018/19 Spring Budget revision report, a copy of which had been previously circulated.

Following discussion, Management Team approved the recommendation to Audit Scotland Board that a request be made to SCPA for a 2018/19 Spring Budget Revision amounting to £2,918k to meet additional pension charges.

##### **2019/20 Budget proposal**

Stuart Dennis introduced the 2019/20 Budget proposal, a copy of which had been previously circulated.

Stuart advised that following the outcome of discussions at Management Team on 7 August and 4 September 2018 the budget proposal report had been revised based on the agreed assumptions.

Management Team noted that a key issue was to free up capacity for Brexit and following discussion, and subject to minor amendment, Management Team approved the submission of the 2019/20 Budget proposal report to the Audit Scotland Board meeting on 28 September 2018.

### Resourcing for New financial powers and constitutional change

Rebecca Seidel introduced the Resourcing for New financial powers and constitutional change report, a copy of which had been previously circulated.

Rebecca highlighted the potential resource pressures associated with our work on new financial powers, social security and EU withdrawal. Following discussion, Management Team recognised the challenge of ensuring we are keeping up to date with such a complex and uncertain landscape. Management Team further recognised the challenge of ensuring that we remain agile and flexible enough to respond to events as they unfold.

Management Team invited Audit Directors to consider how we more effectively prioritise the full range of our work, ensuring that our process for deploying people and resources are fit for purpose.

Following detailed discussion, Management Team welcomed the reports and appreciated sight of the timeline of upcoming activity.

**Action: Mark Taylor to report to Management Team with an update on resourcing plans. (November 2018)**

*Mark Taylor, Stuart Dennis, Martin Walker and Rebecca Seidel left the meeting.*

## 9. Any other business

Fiona Kordiak gave an update on the recent Audit Director recruitment and a short discussion followed.

## 10. Date of next meeting: 25 September 2018

The next meeting of Management Team would take place on Tuesday 25 September 2018.

# Minutes

## Management Team

Tuesday 25 September 2018, 9.15am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Graeme Greenhill, Senior Manager, Performance Audit and Best Value  
Ian Metcalfe, Corporate Performance Officer  
David Blattman, HR & OD Manager  
Charlotte Anderson, Learning and Development Consultant  
Gordon Smail, Audit Director  
Paul O'Brien, Senior Manager, Professional Support  
Fiona Diggie, Auditor, Performance Audit and Best Value  
Joanna Mansell, Communications Adviser  
Alex Devlin, Corporate Governance Manager

### 1. Minutes of meeting: 11 September 2018

The draft minutes dated 11 September 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

### 2. Environmental and sustainability annual report 2017/18

*Graeme Greenhill, Senior Manager, Performance Audit and Best Value, and Ian Metcalfe, Corporate Performance Officer, joined the meeting*

Graeme Greenhill introduced the 2017/18 Annual report on environmental and sustainability, a copy of which had been previously circulated.

Graeme invited Management Team to note Audit Scotland were on track to achieve the carbon reduction targets set out in our Climate Change Plan 2015/16-2019/20, the need to develop projects to support further reductions with a focus on supporting best practice and changing behaviours. Graeme invited Management Team to approve the report for submission to the Board.

Ian Metcalfe invited Management Team to note the inclusion of biodiversity as a new responsibility.

During discussion, Management Team welcomed the positive and strong performance reported while recognising the need to develop the next steps to main and demonstrate our commitment to maintaining a low carbon footprint, raising awareness and social impact.



Following discussion, Management Team welcomed the report and subject to the inclusion of wider benefit analysis, approved it for submission to the Board for its consideration on 31 October 2018.

*Graeme Greenhill, Senior Manager, Performance Audit and Best Value, and Ian Metcalfe, Corporate Performance Officer, left the meeting*

### **3. Measuring employee engagement through Best Companies survey**

*David Blattman, HR & OD Manager and Charlotte Anderson, Learning and Development Consultant, joined the meeting*

David Blattman introduced the report on Measuring employee engagement through Best Companies survey, which had been previously circulated.

David invited Management Team to note and discuss the proposed plans for the 2018/19 Best Companies survey, the frequency of future surveys and the introduction of shorter pulse surveys.

During discussion, Management Team noted this is the tenth year of the Best Companies survey and reflected on the benefit of this annual survey, recognising the benefits of additional shorter surveys for feeding into the overall picture of continued employee engagement and agreed these are to be managed organisationally. David Blattman agreed to liaise with Gordon Smail and Martin Walker on the communication of the forthcoming Best Companies and Quality surveys.

Management Team agreed that they would welcome a feedback session with Jonathan Austin of Best Companies early in 2019 which provided valuable context and challenge for Audit Scotland.

Management Team welcomed the report and agreed they would like a further strategic discussion around employee engagement.

**Action(s):**        **David Blattman to schedule a discussion around employee engagement strategy and options. (October 2018)**

**David Blattman to liaise with Gordon Smail and Martin Walker around the planning of employee surveys. (October 2018)**

*David Blattman, HR & OD Manager and Charlotte Anderson, Learning and Development Consultant, left the meeting*

### **4. Annual planning guidance**

*Gordon Smail, Audit Director and Paul O'Brien, Senior Manager, Professional Support, joined the meeting.*

Gordon introduced the Annual planning guidance report, a copy of which had been previously circulated.

Gordon invited Management Team to consider the draft Annual Planning Guidance for 2018/19 audits and discuss the preparation of the planning guidance in future years.

Management Team noted the volume of material received to produce the guidance, the systems issues highlighted, as well as the outputs for Audit Quality and Appointments. Gordon and Paul advised Management Team that they proposed to host roundtable discussions to feed into the planning guidance in future years.

During detailed discussion, Management Team discussed the clarity of expectations of auditors and agreed a number of amendments to the audit planning guidance.

Management Team welcomed the report and agreed Professional Support and Audit Quality and Appointments team would liaise early next year ahead of the wider consultation.

*Paul O'Brien, Senior Manager, Professional Support, left the meeting.*

## 5. 2019 Audit Scotland conference

*Joanna Mansell, Communications Officer and Fiona Diggle, Auditor, Performance Audit and Best Value, joined the meeting.*

Gordon Smail introduced the 2019 Audit Scotland Conference report, which had been previously circulated.

Joanna Mansell invited Management Team to consider and comment on the proposed content and structure for the conference and agree the working group can take forward arrangements for the event.

During discussion, Management Team welcomed the structure of the conference with panel sessions and lunchtime breakout sessions to include financial sustainability, overview reports and sustainability.

Following discussion, Management agreed the working group take forward the arrangements.

*Gordon Smail, Audit Director and Joanna Mansell, Communications Officer, left the meeting.*

## 6. Guide to our powers and obligations review 2018

*Alex Devlin, Corporate Governance Manager, joined the meeting.*

Alex Devlin introduced the report on Guide to our Powers and Obligations review 2018, which had been previously circulated.

Alex invited Management Team to note the updates included reference to Biodiversity (as referred to at Item 2 of today's meeting), National Fraud Initiative and General Data Protection Regulations. In addition, Alex invited Management Team to consider the arrangements for conducting our impact assessment under the Islands (Scotland) Act 2018.

Fraser McKinlay advised Sarah Skerratt continues to chair our Islands Forum and invited Alex to liaise with Sarah in the first instance to undertake the impact assessment required. Management Team noted visibility in that area would be welcome and Fraser agreed to liaise with the team.

Following discussion, Management Team agreed amendments to the statutory powers and obligations.

**Action(s): Alex Devlin to liaise with Sarah Skerratt on the impact assessment under the Islands (Scotland) Act. (October 2018)**

**Fraser McKinlay to liaise with the Islands Forum team to ensure visibility on ishare. (October 2018)**

*Alex Devlin, Corporate Governance Manager, left the meeting.*

## 7. Draft agenda: Management Team 9 October 2018

Management Team noted the draft agenda for the next meeting on 9 October 2018.

## 8. Draft agenda: Accounts Commission 11 October 2018

Management Team noted the draft agenda for the meeting of the Accounts Commission on 11 October 2018.

**9. Any other business**

Management Team discussed the ongoing EU withdrawal

**10. Date of next meeting: 9 October 2018**

The next meeting of Management Team would take place on Tuesday 9 October 2018.

# Minutes

## Management Team

Tuesday 9 October 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

Morag Campsie, Audit Manager, Audit Services  
Gemma Diamond, Senior Manager, Performance Audit and Best Value  
David Robertson, Digital Services Manager  
Nicola Paton, PMO Analyst, Digital Services  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
John Gilchrist, Manager, Audit Quality and Appointments  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting: 25 September 2018

The draft minutes dated 25 September 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. GovTech funded data analytics project

*Morag Campsie, Gemma Diamond, David Robertson, Nicola Paton and Martin Walker, joined the meeting.*

Gemma Diamond introduced the GovTech funded data analytics project report, a copy of which had been previously circulated.

Gemma Diamond invited Management Team to consider and approve Audit Scotland's continued role in the joint project together with the proposed governance arrangements. Morag Campsie provided an overview of the work currently underway summarising the proposed deliverables, timetable, costs and benefits.

During detailed discussion, Management Team considered the potential risks including intellectual ownership, GDPR, accounting standards, security and compatibility with existing systems together with the opportunities to develop scalable and accessible tools for audit and building skills and capacity.

Management Team recognised the project formed part of developments to support our Digital Strategy and agreed a further discussion on the range of ways we can enhance digital skills and resource would be useful as part of the People focus discussion scheduled for 27 November 2018.

Following discussion, Management Team approved the continued collaboration on the project and agreed the governance arrangements will include reporting to the KITGG on key decision points, risks and communication.

**Action(s):**        **A discussion on enhancing digital skills and resource to form part of the forthcoming People focus summit. (November 2018)**

### **3. Performance Management Framework update**

Martin Walker introduced the Performance management framework update report, which had been previously circulated.

Martin invited Management Team to note the update on the development project to date and welcomed any comments on the project implementation and emerging issues.

Management Team considered the objectives of the project and the opportunities.

Management Team recognised the ambitious timeline and sought assurance around the ability for the project team to deliver particularly in relation to the design, build and testing of the system.

Martin acknowledged the resource requirements across the various workstreams was ambitious but advised of continuing good progress. He also advised of known hotspots and potential risks to the timeline and Management Team noted that in the event of issues arising at the conclusion of the development phase (end March 2019), our current systems would continue to run in parallel.

Following detailed discussion, Management Team agreed Martin would bring a further report on resourcing and the MKI upgrade in December 2018. In addition, Martin advised a review of time recording and flexitime procedures would be considered by the People Focus Group in early course.

**Action(s):**        **Martin Walker to provide an update on progress. (December 2018)**

### **4. Office 365 Programme progress update**

Nicola Paton introduced the Office 365 programme progress report, which had been previously circulated.

Nicola invited Management Team to note the completed components of the project including Office 365, Yammer, OneDrive and Multi factor authentication and forthcoming work on SharePoint online and the testing of beta sites.

During detailed discussion, Management Team discussed the lessons learned from each stage and David Robertson advised earlier communication and drop in workshops would respond to some of the lessons from earlier phases of the project.

Following discussion, Management Team welcomed the report, recognising some of the issues reported while appreciating the greater functionality already available.

*Morag Campsie and Gemma Diamond left the meeting.*

### **5. Digital security and ISO update**

David Robertson provided a verbal update on the ISO surveillance audit undertaken on 25 September 2018.

David invited Management Team to note there was no non-conformity issues or opportunities for improvement identified.

Management Team welcomed the update and noted the final report would be considered by KITGG together with a proposal for re-certification. If approved there will be a final surveillance audit in March 2019 and re-certification in August 2019.

David Robertson provided a verbal summary on recent security alerts, ongoing resources and forthcoming best practice session scheduled with the Wales and National audit agencies.

Following discussion, Management Team expressed their appreciation to the team.

*David Robertson, Nicola Paton and Martin Walker, left the meeting.*

## 6. Draft Q1/Q2 Audit Quality report

*Elaine Boyd and John Gilchrist, joined the meeting.*

Elaine Boyd introduced the Draft Q1/Q2 Audit quality report, a copy of which had been previously circulated.

Elaine invited Management Team to note the good performance in audit delivery and overall improvements reported.

Management Team welcomed the report and following discussion agreed that all recommendations captured in the previous report should be precisely reflected in the action plan.

Following discussion, Management Team welcomed the report and subject to amendments, approved its submission to the Audit Committee for its consideration on 14 November 2018.

*Elaine Boyd and John Gilchrist, left the meeting.*

## 7. Public trust in audit discussion

Management Team discussed the report considered by the Board on 28 September 2018 and Diane McGiffen agreed to pull together an outline strategy for communicating the safeguards of independent audit and quality as part of the Scottish Public Audit model.

**Action(s):** Diane McGiffen to draft an outline strategy for communicating the safeguards of independence audit quality in Scotland. (October 2018)

## 8. 2019/20 SCPA Budget submission and medium term financial planning

*Stuart Dennis joined the meeting.*

Stuart Dennis introduced the 2019/20 SCPA Budget submission and medium term financial planning report, which has been previously circulated.

Taking each area in turn, Stuart invited Management Team to review, comment and approve the SCPA budget submission to the Board for its consideration on 31 October 2018.

During detailed discussion, Management Team welcomed the comprehensive report.

Diane McGiffen advised Management Team that the Scottish Committee for Public Audit were looking to consider Audit Scotland's budget in December, a date for which was yet to be confirmed.

Following discussion, Management Team agreed it would be helpful to simplify some of the comparisons and language in the report and budget proposal prior to its submission for the Board's consideration.

Turning to the Medium Term Financial Plan, Stuart invited Management Team to consider and comment on the document.

Management Team welcomed a discussion on this early draft and discussed a number of influencing factors including the ten year plan for Audit Services which was under review, a discussion on the local government sector assumptions, consideration of flat fees versus savings and the impact of the EU withdrawal.

Stuart advised that further analysis was required and reflection on potential changes to the audit work programme and key decisions to be taken on the future mix of firm/in-house appointments.

Management Team welcomed the report and agreed a further draft of the report would be considered in November with the finance and people leads from each of the business groups joining the discussion.

**Action(s):**            **Stuart Dennis to revise the draft budget proposal prior to submission to the Board. (October 2018)**

**Action(s):**            **A further draft medium term financial planning report to be scheduled. (November 2018)**

*Stuart Dennis left the meeting.*

## **9. Draft agenda: Management Team 23 October 2018**

Management Team noted the draft agenda for the next meeting on 23 October 2018.

## **10. Draft agenda: Leadership Group 24 October 2018**

Management Team discussed and agreed the proposed agenda for the meeting of the Leadership Group on 24 October 2018.

## **11. Any other business**

There was no further business.

## **12. Date of next meeting: 23 October 2018**

The next meeting of Management Team would take place on Tuesday 23 October 2018.

# Minutes

## Management Team

Tuesday 23 October 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Fraser McKinlay  
Fiona Kordiak  
Joy Webber (Minutes)

### Apologies:

Caroline Gardner

### In attendance:

David Blattman, HR & OD Manager  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Alex Devlin, Corporate Governance Manager  
Claire Robertson, BDO  
Elaine Boyd, Associate Director, Audit Quality and Appointments  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting: 9 October 2018

Management Team noted the minutes dated 9 October 2018 would be considered at the meeting of Management Team on 30 October 2018.

## 2. HR policies review

*David Blattman, HR & OD Manager, Martin Walker, Assistant Director, Corporate Performance and Risk, and Alex Devlin, Corporate Governance Manager, joined the meeting.*

David Blattman introduced the HR policies review report, a copy of which had been previously circulated.

David invited Management Team to note a review of the Human Resources policies contained within the staff handbook had been undertaken and minor amendments were proposed. David highlighted the approval levels as set out in Appendix 1 to the report and welcomed any comments.

During discussion, Management Team reflected on the number of policies and ease of access for colleagues. In addition, Management Team agreed that streamlining the policies and providing easier access to these and other policies, would be beneficial for colleagues.

Following discussion, David Blattman agreed to consider where policies could be streamlined together with improved positioning and visibility of these for colleagues' ease of reference.

*David Blattman left the meeting.*



### 3. Internal audit report – Follow up and impact

*Claire Robertson, BDO, joined the meeting.*

Diane McGiffen welcomed Claire Robertson to the meeting as part of BDO's appointment as internal auditors and commitment to observe Audit Scotland's approach to risk.

Fraser McKinlay invited Management Team to note the substantial assurance reported. He also advised that following the internal audit, the team had been considering how to enhance the existing planning process on impact and follow up.

Management Team discussed the arrangements for following up on audit recommendations which have been implemented by audited bodies and agreed they would welcome a further discussion.

Claire Robertson advised that Audit Scotland's approach was best practice in terms of follow up and impact.

Following discussion, Management Team welcomed the assurance provided.

**Action(s): Martin Walker to provide an update on progress. (December 2018)**

### 4. Internal audit recommendations update

Martin Walker introduced the Internal audit recommendations update, which had been previously circulated.

Martin invited Management team to note the update on the implementation of audit recommendations and a further update in relation to Staff recruitment.

During discussion, Management Team reflected on the lessons learned from the rollout of CDG training for colleagues and the ability to bring the training for this and recruitment and selection together.

Following discussion, Management Team welcomed the report.

### 5. Risk register review

Martin Walker introduced the Risk register review report, a copy of which had been previously circulated.

Martin invited Management Team to comment on the revised risk register and approve its submission to the Audit Committee for its consideration on 14 November 2018.

During detailed discussion, Management Team reflected that the overall risk profile had not changed substantially since the last review, with the impact of EU withdrawal and cyber security remaining key factors to monitor.

Management Team discussed the uncertainty on the EAFA work and the forthcoming NIAO report on cross borders recognising the need for continued engagement with colleagues who may be affected by any changes,

Management Team agreed a number of additional to the active controls on Failure of independence, innovation and capacity and approved the report be submitted to the Audit Committee.

### 6. Risk interrogations – 2019/20 schedule

Martin Walker introduced the report on Risk Interrogations – 2019/20 schedule, a copy of which had been previously circulated.

Martin invited Management Team to consider and comment on the proposed schedule alongside the current risk register.

During discussion, Management Team reflected on the benefit of the risk interrogations and agreed contract management and procurement would be included as part of the value for money interrogation scheduled at the end of 2019.

Following discussion, Management team welcomed the report.

## **7. Risk interrogation - Quality**

*Elaine Boyd, Associate Director, Audit Quality and Appointments, joined the meeting.*

Elaine Boyd introduced the Risk interrogation – Quality report, which had been previously circulated.

Elaine invited Management Team to review, comment and approve the risk interrogation for submission to the Audit Committee for its consideration on 14 November 2018.

During detailed discussion, Management Team recognised the work undertaken over the past year to develop audit quality and the assurance this report provided,

Management Team agreed a number of changes to include reference to the fee regime, the role of the Auditor General for Scotland and the Accounts Commission as part of the Public Audit in Scotland model, the role of professional support, resourcing and our commitment to learning and development to ensure audit quality.

Following discussion and subject to amendment, Management Team approved the report for submission to the Audit Committee.

*Elaine Boyd left the meeting.*

## **8. Annual review of Standing orders, scheme of delegation and financial regulations**

Alex Devlin introduced the Annual review of Standing orders, scheme of delegation and financial regulations report, which had been previously circulated.

Alex invited Management Team to note the changes required to reflect the change of role titles for Audit Directors, the renaming of the Audit Quality and Appointments team and that employees and/or advisers may attend private sessions of the Board by invitation.

Following discussion, Management Team recommended the updated Standing orders, scheme of delegation and financial regulations to the Audit Committee and Board.

## **9. Unacceptable actions policy**

Alex Devlin introduced the Unacceptably actions policy report, a copy of which had been previously circulated.

Alex invited Management Team to approve the updated joint policy on behalf of the Auditor General, Accounts Commission and Audit Scotland for a further two years.

Management Team noted the policy had been updated to reflect lessons learned from previous cases and reflected on the process for issuing warnings to people before applying the policy. Alex confirmed the policy complied with GDPR requirements.

Following discussion, Management Team approved the policy for a further two years.

## **10. Reviews of information management arrangements**

Alex Devlin introduced the Review of information management arrangements report, which had been previously circulated.

Alex invited Management Team to consider the outcome of the self-evaluation process in compliance with the Public Records (Scotland) Act 2011, a mystery shopper exercise carried out in compliance with the Freedom of Information (Scotland) Act 2002 and the most recent ISO27001 audit.

During discussion, Management Team noted the minor improvements made following the mystery shopper exercise and welcomed the good outcome from the self-assessment of the records management plan and ISO27002 audit.

Following discussion, Management Team welcomed the report and agreed the findings would be shared with colleagues.

## **11. Data incident/loss**

Alex Devlin introduced the Data incident/loss report, a copy of which had been previously circulated.

Alex invited Management Team noted the loss and welcomed the report.

## **12. Business continuity review 2018**

Alex Devlin introduced the Business continuity review 2018 report, which had been previously circulated.

Alex invited Management Team to note the review and update to our business continuity arrangements.

During discussion, Management Team noted the updates to the policy guidance and plan which included the recommendations from the internal audit in May 2017 and minor changes arising from the walkthrough testing. The review had also identified the need for further changes

during the year and Management Team confirmed their authority for the Business Continuity team to update the live version of the plan as required.

Management Team agreed that the Secretary to the Accounts Commission should be included within the business continuity arrangements on behalf of Accounts Commission members and Alex advised he would liaise with the Secretary to develop a plan.

Following discussion, Management Team recommended the submission of the plan to the Audit Committee.

### **13. External auditor's independence, objectivity and value for money**

Alex Devlin introduced the report on the External auditor's independence, objectivity and value for money, which had been previously circulated.

Alex invited Management Team to consider and comment on the provision of the external audit service and approve submission of the report to the Audit Committee.

Management Team considered the report and Fiona Kordiak, as Ethics partner, confirmed she was content with the report.

Following discussion, Management Team approved the submission of the report to the Audit Committee.

*Martin Walker, Alex Devlin and Claire Robertson, left the meeting.*

### **14. End of audit year stocktake – verbal update**

Diane McGiffen invited colleagues to reflect on the audit year and to identify any areas to discuss or lessons to be learned.

Management Team acknowledged the work by the audit teams in what has been a busy and challenging year for Audit Scotland and many of the audited bodies. Management Team recognised that the number of section 22 reports had increased the workload for audit teams. Management Team discussed the overall stretch and capacity of audit teams at various points noting discussions were already underway to look at cross and joint resourcing, the role of clusters, recognising the appetite for developing professional leadership and agreed there should be consideration of the future work programme to ensure future flexibility and capacity.

Management Team welcomed the discussion.

### **15. Audit Quality Committee – verbal update**

Fiona Kordiak provided a summary of the meeting including a specification of performance audit in the Code in order to provide assurance to the Auditor General and the Accounts Commission.

### **16. Draft agenda: Management Team 30 October 2018**

Management Team noted the draft agenda for the next meeting on 30 October 2018.

### **17. Draft agenda: Board 31 October 2018**

Management Team noted the draft agenda for the Board meeting on 31 October 2018.

### **18. Draft agenda: Accounts Commission 8 November 2018**

*Paul Reilly, Secretary to the Accounts Commission, joined the meeting.*

Paul Reilly, Secretary to the Accounts Commission, introduced the draft agenda for the meeting of the Accounts Commission on 8 November 2018.

Paul invited Management Team to consider and comment on the proposed agenda,

Management Team noted the Accounts Commission were to consider the outputs from their mid-year Strategy Seminar and Paul agreed to bring the report to Management Team on 30 October 2018

Paul provided a verbal update on the new members joining the Accounts Commission and the extend to Ronnie Hind's appointment to June 2019.

Following discussion, Management Team welcomed the report.

**19. Draft agenda: Audit Committee 14 November 2018**

Management Team noted the draft agenda for the Audit Committee meeting on 14 November 2018.

**20. Draft agenda: Remuneration and Human Resources Committee 14 November 2018**

Management Team noted the draft agenda for the Remuneration and Human Resources Committee meeting on 14 November 2018.

**21. Any other business**

There was no further business.

**22. Date of next meeting: 30 October 2018**

The next meeting of Management Team would take place on Tuesday 30 October 2018.

# Minutes

## Management Team

Tuesday 30 October 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fraser McKinlay (Chair)  
Diane McGiffen  
Fiona Kordiak  
Caroline Gardner  
Lorna McEwan (Minutes)

### Apologies:

None

### In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk  
Paul Reilly, Secretary to the Accounts Commission  
Stuart Dennis, Corporate Finance Manager

## 1. Minutes of meeting: 9 October 2018

The draft minutes dated 9 October 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

### Minutes of meeting: 23 October 2018

The draft minutes dated 23 October 2018 would be considered at the next meeting of Management Team.

## 2. Strategic improvement and performance

*Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the Strategic improvement programme 2018-21 report, a copy of which had been previously circulated.

Martin invited Management Team to consider and approve the report which sought to apprise Management Team of the key priorities and delivery routes coupled with a timeline for the principal delivery methods and improvement projects in 2018 and 2019.

Following discussion, and subject to minor revision, Management Team approved the Strategic improvement programme 2018-21 for submission to the Audit Committee on 14 November 2018.

*Martin Walker left the meeting.*

## 3. Accounts Commission mid year strategy seminar

*Paul Reilly, Secretary to the Accounts Commission joined the meeting.*

Paul Reilly introduced the Accounts Commission mid-year strategy seminar, which had been previously circulated.

Paul invited Management Team to consider and comment on the contents and actions from the Commission's mid-year strategy seminar which took place on 12 September 2018.

Management Team noted the report and following discussion Fraser advised he would meet with Paul Reilly outwith the meeting to expand and clarify on the proposed amendments, prior to submission to the Commission on 8 November 2018.

**Action(s): Fraser McKinlay to meet with Paul Reilly to discuss the report. (October 2018)**

*Paul Reilly left the meeting.*

#### **4. Audit Partners meeting agenda: 3 December 2018**

Diane McGiffen invited Management Team to consider and suggest the format for the forthcoming Audit Partners meeting scheduled for 3 December 2018.

Management Team reflected positively on the recent Audit planning conference and welcomed the constructive contribution by the firms.

Following discussion, it was agreed that Scott Moncrieff would be invited to lead on the next Audit Partners meeting and they would be encouraged to consider where they could contribute to the day. Suggested items for the agenda from Management Team were: 'what we do in audit that does not add value' and 'reflections on the audit year and what this means for next year'.

Fiona Kordiak agreed to facilitate the meeting of 3 December 2018 and Diane agreed to liaise with Nick Bennett of Scott Moncrieff and Lucy Nutley of Mazars regarding the format of the day.

**Action(s): Fiona Kordiak to facilitate the Audit Partners meeting on 3 December 2018. (December 2018)**

**Diane McGiffen to liaise with Nick Bennett and Lucy Nutley regarding audit firm contribution to the Audit Partners meeting. (November 2018)**

#### **5. Q2 Financial performance report**

*Stuart Dennis, Corporate Finance Manager joined the meeting.*

Stuart Dennis introduced the Q2 Financial performance report, a copy of which had been previously circulated.

Stuart summarised the main elements of the report and invited Management Team to comment.

Stuart reported that he was expecting forecast returns next week but anticipated no significant change to the £200k underspend already predicted.

A discussion followed on the uncertainty surrounding EAFA and the risks surrounding the bid for next year. Management Team noted that the audit remains behind schedule however, we expect to be on trajectory by November 2018. It was agreed that a scenario planning exercise would be undertaken by Stuart and consideration would be given to devising a different costing up methodology when putting in bids. Diane would liaise with Stuart outwith the meeting in this respect.

Management Team reflected on the communication of EAFA related matters to the wider Audit Scotland organisation followed and Caroline agreed to give an update in her next blog.

A short discussion followed on staff and agency costs and Fiona Kordiak would liaise with Mark Taylor in this respect.

Management Team noted the increase in audit fees charged by the firms and it was agreed that the Audit Quality and Appointments team would undertake a review of firms' fees, profile building on previous reports on indicative fees.

Management Team expressed their appreciation to Stuart for his very informative report.

**Action(s):** **Diane McGiffen to liaise with Stuart Dennis regarding scenario planning and devising a different costing up methodology for the submission of bids. (November 2018)**

**Caroline Gardner to provide an update of EAFA matters in her next blog. (November 2018)**

**Fiona Kordiak to liaise with Mark Taylor in respect of Audit Services staff and agency costs. (November 2018)**

**Audit Quality and Appointments team to undertake a review of firms' fees. Diane McGiffen to liaise with Elaine Boyd in this respect. (November 2018)**

*Stuart Dennis, left the meeting.*

## **6. Draft agenda: Management Team 6 November 2018**

Management Team noted the draft agenda for the meeting on 6 November 2018.

## **7. Any other business**

Management Team noted that Fraser McKinlay would be meeting with the Heads of Performance Auditors on Thursday 1 November 2018 in West Port.

## **8. Date of next meeting: 6 November 2018**

The next meeting of Management Team would take place on Tuesday 6 November 2018.



# Minutes

## Management Team

Tuesday 6 November 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### Apologies:

None

### In attendance:

James Gillies, Communications Manager  
Claire Sweeney, Audit Director, Performance Audit and Best Value  
Martin Walker, Assistant Director, Corporate Performance and Risk  
David Blattman, HR & OD Manager  
Mark Roberts, Senior Manager, Performance Audit and Best Value  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
Kirstin Scott, Auditor, Performance Audit and Best Value  
Stuart Dennis, Corporate Finance Manager  
Paul Reilly, Secretary to the Accounts Commission

## 1. Minutes of meeting

### 23 October 2018

The draft minutes dated 23 October 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

### 30 October 2018

The draft minutes dated 23 October 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

## 2. Communications digest

*James Gillies, Claire Sweeney and Martin Walker, joined the meeting.*

James Gillies introduced the Communications digest report, a copy of which had been previously circulated.

James invited Management Team to note the key highlights and issues from external and internal communication in the past month together with a review of forthcoming events and engagement.

Management Team reflected on the publication of the NHS in Scotland 2018 report and the joint Health and social care integration report due to be published the following week. Claire

Sweeney advised that the team have received engagement requests which they were pursuing as part of building impact of reporting over the next year.

Following discussion, Management Team welcomed the discussion and noted the forthcoming communications planner which highlighted forthcoming activities. Management Team agreed there was more to do around proactive messaging of key objectives.

### **3. Hotlist of emerging audit risks**

Claire Sweeney introduced the Hotlist of emerging audit risks report, which had been previously circulated.

Claire invited Management Team to consider the new emerging and developing risks around IT, financial sustainability and governance issues.

Management Team discussed the number of section 22 reports being published and the clear links to the issues reported in the hotlist.

Following discussion, Management Team agreed the closure of one item and areas which required further clarification. In addition, Management Team agreed the narrative for risks should be summarised.

### **4. Public sector audit risk and assurance framework**

Martin Walker introduced the Public sector audit risk and assurance framework report, a copy of which had been previously circulated.

Martin invited Management Team to note the update on the public sector risk profile and comment on the revised risk assessment which was higher overall. Martin also invited Management Team to note of the development of raising awareness and increasing access to the framework.

During detailed discussion, Management Team reflected on the level of risk reported and agreed it felt right in the context of increased pressure on skills and capacity and the potential impact of new financial powers coming into effect for public audit.

Management Team discussed sectoral issues as part of the current issues reporting and whether any are super risks. Claire advised that issues arising in each of the sector are linked to the respective overview reports and cluster teams are discussing and making connections.

Management Team noted a session to consider the external operating environment and risks was scheduled for January 2019.

Following discussion, Management Team welcomed the report and discussion.

*James Gillies and Claire Sweeney left the meeting.*

### **5. Q2 Corporate performance report**

Martin Walker introduced the Q2 Corporate performance report, a copy of which had been previously circulated.

Martin invited Management Team to note the overall good performance reported for the quarter and welcomed any comments.

Management Team welcomed the overall performance reported and discussed whether to refresh some of the measures around people. Management Team noted that a people focussed summit discussion was scheduled for 27 November and it would be useful to take stock and update accordingly for the next reporting cycle.

Management Team agreed a number of additional actions and amendments to the report prior to its submission to the Board.

## 6. Q2 Becoming world class improvement programme

Martin Walker introduced the Q2 Becoming world class improvement programme report, a copy of which had been previously circulated.

Martin invited Management Team to note the progress being made in the improvement projects across the key strategic objectives including resourcing, Office 365 project and the Performance management framework. Martin also referred Management Team to the Strategic improvement programme report considered on 30 October 2018.

During detailed discussion, Management Team welcomed the update which demonstrated the level of activity involved across the programme and noted the slight slippage in the Office 365 project and overall stretch on resources.

Following discussion, Management Team agreed a number of actions to be captured in the report prior to submission for the Board's consideration. In addition, Management Team agreed a detailed discussion on resourcing and how we organise ourselves to be scheduled early in the New Year with Stephen Boyle facilitating.

**Action(s):**            **Stephen Boyle to facilitate a Management Team discussion early in 2019 on resource and how we organise our work. (January 2019)**

## 7. Voluntary early release and voluntary redundancy scheme – Annual reconciliation report

*David Blattman and Stuart Dennis, joined the meeting.*

David Blattman introduced the Voluntary early release and voluntary redundancy scheme – Annual reconciliation report, which had been previously circulated.

David invited Management Team to consider and comment on the reconciliation of the schemes operated over the last three years.

Management Team welcomed the assurance provided that the operation of the schemes had assisted with creating career development opportunities for colleagues.

Following discussion, Management Team noted the report.

## 8. Confidential item

This item is the subject of a separate confidential minute.

## 9. Scottish Local Government pension scheme consultation on structure

David Blattman introduced the Scottish Local Government pension scheme consultation on structure report, a copy of which had been previously circulated.

David invited Management Team to consider and agree the basis upon which to respond to the consultation and recommend the approach to the Remuneration and Human Resources Committee (Remco).

Management Team discussed the options set out in the report and recognising the benefit to colleagues of the schemes agreed Audit Scotland should respond to the consultation as an employer.

Following discussion, Management Team agreed to recommend this approach to Remco.

*David Blattman left the meeting.*

## 10. EU Withdrawal discussion

*Mark Roberts, Rebecca Seidel, Kirstin Scott and Martin Walker joined the meeting.*

Diane McGiffen welcomed colleagues to the meeting and invited Mark Roberts to open the discussion.

Mark Roberts provided a summary of recent activity, including the publication of the key issues paper, inputting to the forthcoming budget submission, forward work programme refresh, internal and external communication and engagement and future activity which would include drafting amended audit planning guidance for 2018/19, hosting a further roundtable event and continuing with drop-in sessions for colleagues to learn more about developments.

During detailed discussion, Management Team acknowledged the value of what the team have delivered so far. Management Team discussed scenario and contingency planning to inform thinking about any rapid response required to emerging issues, what an audit emergency would look like, the reliance on guidance to auditors and expectations of reporting. Given the pace of change that may be required and the impact of a deal or no deal EU withdrawal on public bodies Management Team agreed to have a further discussion early in 2019.

Following discussion, Management Team thanked the team for the opportunity to discuss the latest developments and agreed a further update would be scheduled early in 2019.

*Mark Roberts, Rebecca Seidel, Kirstin Scott, Martin Walker and Stuart Dennis left the meeting.*

**Action(s):**            **A contingency planning/rapid response discussion to be scheduled early 2019. (January 2019)**

## 11. Draft agenda: Management Team 13 November 2018

Management Team noted the report on Professional Support and Audit Quality and Appointments developments would be scheduled to go to the Board on 29 January and would therefore come to Management Team in December.

## 12. Draft agenda: Accounts Commission Committee meetings: 22 November 2018

*Paul Reilly joined the meeting.*

Paul invited Management Team to note the draft agendas for the forthcoming meetings of the Accounts Commission Committees on 22 November 2018.

Management Team welcomed the report and noted the agendas for the meetings of the Committees.

*Paul Reilly left the meeting.*

## 13. Any other business

Joy Webber invited comments from Management Team on the proposed report format which had been trialled for today's meeting. Management Team welcomed the enhanced layout and consistency to reporting.

## 14. Date of next meeting: 13 November 2018

The next meeting of Management Team would take place on Tuesday 13 November 2018.

# Minutes

## Management Team

Tuesday 13 November 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Fiona Kordiak (Chair)  
Caroline Gardner  
Joy Webber (Minutes)

### Apologies:

Diane McGiffen  
Fraser McKinlay

### In attendance:

Gordon Smail, Audit Director, Performance Audit and Best Value  
Alasdair Craik, Senior Audit Manager, Audit Services  
Martin Walker, Associate Director, Corporate Performance and Risk  
Rikki Young, Business Manager, Performance Audit and Best Value  
Tricia Meldrum, Senior Manager, Performance Audit and Best Value  
Mark Roberts, Senior Manager, Performance Audit and Best Value  
Rebecca Seidel, Audit Manager, Performance Audit and Best Value  
Kirstin Scott, Auditor, Performance Audit and Best Value

## 1. Minutes of meeting 6 November 2018

The draft minutes dated 6 November 2018 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

## 2. Business group plans 2018/19

*Rikki Young, Business Manager, Performance Audit and Best Value, Alasdair Craik, Senior Audit Manager, Audit Services and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the Business group plans 2018/19 report, a copy of which had been previously circulated.

Martin invited Management Team to consider the plans for each of the business groups and note how the plans support the delivery of Audit Scotland's strategic and operational priorities.

Taking each plan in turn, Management Team first considered the Corporate Services business plan, welcoming the strategy map and noting the range and breadth of operational developments and projects underway.

Management Team discussed Performance Audit and Best Value's business plan and welcomed the ongoing engagement within the team to inform the priorities for individuals' roles, the business group and the organisation.

Management Team considered Audit Services' business plan which clearly set out the priorities for supporting public trust in audit and welcomed the importance of data analytics and capacity given the degree of change in the external operating environment.

Management Team noted that while the business groups had adopted different approaches to drafting their respective plans they each contained common themes which supported Audit Scotland's corporate plan and delivery of audit quality.

Following discussion, Management Team reflected on the pressures of capacity and resource and acknowledged more focus is required on resource planning to support flexible working across the organisation.

*Rikki Young, Alasdair Craik and Martin Walker left the meeting.*

### **3. Social work in Scotland impact report**

*Tricia Meldrum, Senior Manager, Performance Audit and Best Value, joined the meeting*

Tricia Meldrum introduced the Social work in Scotland impact report, which had been previously circulated.

Tricia invited Management Team to consider the report and note the proposed ongoing programme development activity linked to this policy area.

Management Team noted the progress made on the recommendations and the level of interest received and recognised the concerns around the outstanding recommendations in light of increasing demands.

Management Team welcomed the range of ways the team were engaging with the Scottish Government in their key role on policy areas as well as councils and COSLA on local issues. Tricia advised that audit work continues by local auditors to follow up on progress.

Following discussion, Management Team welcomed the report.

*Tricia Meldrum left the meeting.*

### **4. New financial powers and constitutional change update**

*Mark Roberts, Senior Manager, Rebecca Seidel, Audit Manager and Kirstin Scott, Auditor, Performance Audit and Best Value joined the meeting.*

Mark Roberts introduced the New financial powers and constitutional change update report, a copy of which had been previously circulated.

Mark invited Management Team to note the update provided by the report and approve its submission to the Board for its consideration on 28 November 2018.

Management Team reflected on the six monthly update provided for the Board noting the key developments since May 2018 particularly in relation to EU withdrawal and how Audit Scotland is responding. Management Team welcomed the feedback received on Audit Scotland's response to the key audit issues for the Scottish public sector and the development of further guidance to auditors.

Management Team suggested some minor amendments to the report to include reference to our active monitoring of EAFA and to the further work for Audit Scotland in developing an agile response to workforce planning.

Following discussion, Management Team welcomed the report and discussion.

*Mark Roberts, Rebecca Seidel and Kirstin Scott, left the meeting.*

**5. Draft agenda: Management Team 27 November 2018**

Management Team noted the draft agenda for the meeting on Tuesday 27 November 2018.

**6. Draft agenda: Board 28 November 2018**

Management Team noted the draft agenda for the meeting of the Board on Wednesday 28 November 2018.

**7. Any other business**

There was no further business.

**8. Date of next meeting: 27 November 2018**

The next meeting of Management Team would take place on Tuesday 27 November 2018.

## Management Team

Tuesday 4 December 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay (by phone)  
Lorna McEwan (Minutes)

### Apologies:

### In attendance:

Stuart Dennis, Corporate Finance Manager  
Alex Devlin, Corporate Governance Manager  
David Blattman, HR & OD Manager  
Charlotte Anderson, Learning and Development Consultant  
Fiona Diggle, Auditor, Performance Audit & Best value  
Joanna Mansell, Communications Officer

## 1. Minutes of meeting 27 November 2018

The draft minutes dated 27 November 2018 were not currently available and would be considered by Management Team at a future meeting.

## 2. Financial forecast

*Stuart Dennis, Corporate Finance Manager, joined the meeting.*

Stuart Dennis introduced the Financial forecast 2018/19 report, a copy of which had been previously circulated.

Stuart summarised the main elements of the report and invited Management Team to consider the results of the 2018/19 year-end financial forecast.

Management Team discussed the forecasted rise of holiday pay accrual and expressed their concern. It was agreed that further analysis of HR holiday/flexitime statistics would be undertaken and considered at a future meeting of Management Team.

A discussion followed in respect of the risk related to the EAFA funding stream which is linked to the UK's withdrawal from the EU. Management Team noted the uncertainty around transition arrangements and the subsequent risk that we may not receive the planned EAFA income.

During discussion in respect of the WiP forecast, Management Team noted that the Corporate Finance Manager would meet more frequently with representatives of all business groups.

It was agreed that early in the new year, a further analysis of spending decisions and funding commitments would be considered by Management Team.



Management Team welcomed the detailed forecast and looked forward to a more detailed discussion of spending decisions at a future meeting.

**Action: Stuart Dennis to provide further analysis of spending decisions. (January 2019)**

### 3. Internal audit reports

*Alex Devlin, Corporate Governance Manager, joined the meeting*

Stuart Dennis introduced the Core Financial Controls internal audit report, compiled by BDO, a copy of which had been previously circulated.

Stuart invited comment from Management Team and welcomed any questions.

Management Team noted the very positive results in respect of all key financial control systems within Audit Scotland.

Alex Devlin introduced the Data Protection internal audit report, compiled by BDO, which had been previously circulated.

During discussion, Alex provided detail on how the review was undertaken by BDO and this was noted by Management Team.

Management Team welcomed the report and the positive assurance around our current GDPR compliance arrangements.

*Stuart Dennis and Alex Devlin left the meeting.*

### 4. Best Companies Survey

*David Blattman, HR & OD Manager and Charlotte Anderson, L&D Consultant, joined the meeting.*

David Blattman introduced the Best Companies report, a copy of which had been previously circulated.

David summarised the key elements of the report and invited comments from Management Team.

Management Team reflected on the report, noting that this was our highest score to date and welcoming the 84% participation rate by colleagues.

A discussion followed on the wider communication of results and it was agreed that Diane McGiffen would work with HR and Communications to produce a short all staff communication linking to the high-level results, response rates, money raised, key changes on last year and narrative outlining Management Team's response to the results.

Management Team welcomed the report and looked forward to more detailed discussion with Jonathan Austin from Best Companies and Leadership Group on 15 January 2019.

**Action: Diane McGiffen to produce a short all staff communication to inform colleagues of the high-level results. (December 2019)**

*Charlotte Anderson left the meeting.*

### 5. Leadership Group development agenda

Fraser McKinlay introduced the Leadership Group development agenda update report, a copy of which had been previously circulated. The report sought to provide detail on the progress

made in embedding a distributed model of leadership across Audit Scotland at the half-way period from May 2017, since Leadership created our vision for 2020.

A discussion followed on the expectations of colleagues' commitment to growth and the impact on people and teams with Management Team recognising the challenges facing some groups.

Management Team agreed that a simple visual to reflect leadership support and express further the purpose and values of the group would be of enormous benefit.

It was further agreed that topics for future development and training would be resilience and complexity. Management Team agreed that further discussion was needed in this respect and this would be scheduled for 18 December 2018.

Management Team welcomed the opportunity to consolidate achievements to date and to agree on the next 18 month plan.

**Action(s): Resilience/complexity agenda item to be scheduled for Management Team meeting of 18 December 2018.**

**Fraser McKinlay to modify report with input from Diane McGiffen, then share with Leadership Group. (December 2018)**

## **6. 2019 Audit Scotland Conference**

Fiona Diggle, Auditor, Performance Audit & Best Value and Joanna Mansell, Communications Officer, joined the meeting.

Joanna Mansell introduced the 2019 Audit Scotland conference report which sought to provide an update on progress and content for the conference on 30 January 2019.

A discussion followed on the structure, themes, speakers and organisation of the event and Management Team welcomed the opportunity to provide further input.

Following discussion, it was agreed that timings would be revised, more breakout sessions would be offered at lunchtime, breakout sessions would be renamed and that letters to speakers confirming final arrangements would be sent this week.

Management Team agreed that there was no need for a journalist to be present at the event.

**Action: Communications to draft a letter of confirmation to speakers and this would be sent by the relevant member of Management Team. (7 December 2018)**

## **7. Draft agenda: Management Team 11 December 2018**

Management Team noted the proposed agenda for 11 December 2018 and agreed the inclusion of additional matters if required.

## **8. Draft agenda: Accounts Commission 7 January 2019**

Management Team noted the proposed agenda for the Accounts Commission meeting of 7 January 2019.

## **9. Any other business**

No further discussion took place at the meeting.

## **10. Date of next meeting: 11 December 2018**

The next meeting of Management Team would take place on Tuesday 11 December 2018.

# Minutes

## Management Team

Tuesday 11 December 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Alan Alexander (Observer)  
Lorna McEwan (Minutes)

### Apologies:

### In attendance:

Robert Cumming, PA Advocacy  
Martin Walker, Assistant Director, Corporate Performance and Risk  
Antony Clark, Audit Director, Performance Audit and Best Value  
James Gillies, Communications Manager  
Peter Worsdale, Audit Manager / International Liaison Manager, Performance Audit and Best Value

#### 1. Minutes of meeting 4 December 2018

The draft minutes dated 4 December 2018 were considered and Management Team agreed that these were an accurate record of the business conducted on that date.

#### 2. Draft agenda: Management Team 18 December 2018

The draft agenda had previously been agreed by Management Team.

#### 3. Any other business

There was no further business discussed at the meeting.

#### 4. Date of next meeting: 18 December 2018

The next meeting of Management Team would take place on Tuesday 18 December 2018.

#### 5. MSP survey

*Robert Cumming, PA Advocacy, Antony Clark, Audit Director, Performance Audit and Best Value, James Gillies, Communications Manager and Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Management Team welcomed Robert Cumming to the meeting and he introduced the presentation of the findings of the annual independent survey of MSPs.

Discussion followed throughout the presentation and Management Team welcomed the feedback, noting that awareness of Audit Scotland had improved further.

Management Team thanked Robert for his presentation and agreed the survey continues to be a valuable source of feedback.

*Robert Cumming left the meeting.*

## **6. International work at Audit Scotland – mid-year update 2018/19**

*Peter Worsdale, Audit Manager and International Liaison Manager, Performance Audit and Best Value, joined the meeting.*

Peter Worsdale, Audit Manager and International Liaison Manager, Performance Audit and Best Value, introduced the International work at Audit Scotland: mid-year update 2018-19 report, a copy of which had been previously circulated.

Peter highlighted the key international activities undertaken between April and December 2018 and a discussion followed on planned activity for 2019. Management Team agreed that we should be prepared to offer to host an international event in the near future.

A discussion followed on our International Strategy which included the aim to make greater use of social media and Management Team agreed that our strategic goals must be clear and concise and that our international relationships should be nurtured, particularly at this time of Brexit uncertainty.

Management Team welcomed the report and the opportunity to comment.

*Peter Worsdale left the meeting.*

## **7. Auditor General for Scotland and Accounts Commission rolling work programme refresh 2019/20 – 2023/24**

Antony Clark, Audit Director, Performance Audit and Best Value, introduced the Auditor General for Scotland and Accounts Commission rolling work programme refresh: 2019/20 – 2023/24 report, a copy of which had been previously circulated.

Management Team noted that the report had already been approved by the Auditor General for Scotland and the Accounts Commission and they welcomed the opportunity to comment on the next steps in finalising and publicising the work programme.

Antony highlighted the key elements from the report and a discussion followed on the increasingly volatile and uncertain public-sector environment and the necessity for the work programme to adapt rapidly to new and emerging risks and issues. This may result in changes being made in-year to the programme.

Management Team noted the impact of additional work within the Communications Team and agreed that greater clarity in respect of which programmes need to go through the full Communications 'process' at an earlier stage, would be of benefit to the team.

A discussion followed on who we engage with, how we engage and what we engage on, assisted by slides compiled by Martin Walker.

Management Team noted the need to make KPQs more challenging and more focussed and this would be reflected in priorities for 2019/2020. During discussion Management Team reflected that as we are regarded as leaders in presenting the work in the way we do, we may benefit from looking at other tools in this challenging environment to help us sustain our position.

It was agreed that our approach to engagement and our organisational philosophy in this respect would be highlighted at the all staff conference in January 2019.

# Minutes

## Management Team

Tuesday 18 December 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

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### Present:

Diane McGiffen (Chair)  
Caroline Gardner  
Fiona Kordiak  
Fraser McKinlay  
Joy Webber (Minutes)

### In attendance:

Martin Walker, Assistant Director, Corporate Performance and Risk

#### 1. Minutes of meeting 11 December 2018

The draft minutes dated 11 December 2018 were considered and Management Team agreed that these were an accurate record of the business, subject to minor amendment.

#### 2. Performance Management Framework project update

*Martin Walker, Assistant Director, Corporate Performance and Risk, joined the meeting.*

Martin Walker introduced the Performance Management Framework project update report, a copy of which had been previously circulated.

Martin invited Management Team to note the developments reported and the challenges around licences, budget, resource and software issues which the project team were currently reviewing.

Management Team noted the proposal to report back early in the New Year.

During detailed discussion, Management Team agreed that a review of the overriding goals of the project and achievements so far would be helpful before considering the priorities and range of options available to deliver the project to time.

Management Team noted Martin's work in progressing the project and Martin agreed to report back to Management Team in January 2019.

**Action: Martin Walker to report back to Management Team in January 2019.**

*Martin Walker left the meeting.*

#### 3. Stocktake

Management Team reflected on Audit Scotland's overall achievements and developments during the last year and looked ahead to next year's priorities in supporting and delivering public audit in Scotland.

#### 4. Draft agenda: Management Team 8 January 2019

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 8 January 2019.

**5. Any other business**

There was no further business discussed at the meeting.

**6. Date of next meeting: 8 January 2019**

The next meeting of Management Team would take place on Tuesday 8 January 2019.